Agenda Item	12
Report No	CIA/23/20

THE HIGHLAND COUNCIL

Committee: City of Inverness Area Committee

Date: 27 August 2020

Report Title: Inverness Common Good Fund

Victorian Market, Inverness - Action Plan - Update

Report By: Joint Report by the Executive Chief Officer Infrastructure and

Environment and the Inverness City Manager

1. Purpose/Executive Summary

1.1 This report updates Members on the progress made on the delivery and further development of the Victorian Market Action Plan (the Action Plan) agreed at the City of Inverness Area Committee on 19 June 2017.

1.2 Since then;

- The Academy Street Entrance has been refurbished
- Marketing and Branding have been progressed
- The Refurbishment of the Market Hall and Fish Hall (The Project) has been agreed.

The report also seeks approval for the establishment of the Victorian Market Manager as a permanent post. The creation of the post of Victorian Market Manager was approved on the basis of an initial 3-year contract by this Committee on 19 June 2017 funded by the Inverness Common Good Fund (ICGF). Now that Members have agreed to progress with the development of the Market, and for this to be managed by the Council on behalf of the Common Good, Members are asked to agree to permanently establish the post of Victorian Market Manager and for this to be funded from the ICGF.

- 1.3 An update is also given on the priorities identified.
- 1.4 The City of Inverness Area Committee agreed in November 2019 to approve the refurbishment of the Market Hall and Fish Hall within the Victorian Market. The report provides an update on the progress of the project, in light of the Covid impacts. Graham and Sibbald have provided an updated Business Case (**Appendix 1**) reflecting the implications of Covid.

Recommendations

2.1 Members are asked to:

2.

- i. note the progress in respect of the work agreed through the Action Plan since the reports presented to Committee on 29 August and 21 November 2019.
- ii. Note the progress of the works for the Transformation of the Market Hall and Fish Hall of the Victorian Market.
- iii. note that all practicable steps continue to be taken to maximise third party funding opportunities. The allocation of £0.250m from the Town Centre Fund, being added to the project budget.
- iv. Agree to the permanent establishment of the Victorian Market Manager post as detailed in section 7 of this report to be funded from Inverness Common Good Fund, noting that the post will then be subject to approval through the Council's recruitment policies and procedures.
- v. note that further reports will be made to the City of Inverness Area Committee on progress.

3. Implications

3.1 Resource

The Business Case presented to Committee in November 2019, provided the financial rationale for re-developing the Victorian Market Hall and Fish Hall. Graham and Sibbald have provided an updated Business Case (**Appendix 1**) reflecting the implications of Covid and this continues to support the aims to redevelop the Halls. This will help ensure that the ICGF has the best chance to produce a stable financial 'Best Value' return for the principal benefit of the Residents of the former Burgh of Inverness.

Expenditure Profile – Market Hall/Fish Hall Refurbishment

The table below gives an updated expenditure profile for the Market/Fish Hall Redesign

Expenditure Profile	19/20 £	20/21 £	21/22 £	22/23 £	Total £
Construction Works	9,927	704,198	714,125	21,750	1,450,000
Professional Fees	146,388	23,231	23.230	10.150	203,000
Total Costs					1,653,000
Town Centre Fund					(250,000)
Net ICGF Funding					1,403,000

The Town Centre Fund, supported by the Scottish Government, is making a contribution of £250,000, as agreed by Members previously. This sum will offset the additional costs of £153,000 expected to be incurred due to Covid-19. The increased costs are due to

the need for social distancing on site and increased costs of materials. The net result is that the ICGF allocation now stands at £1,403,000.

As outlined at committee in November 2019, the rental income will be reduced during the compensation (6 months), refurbishment (12 months) and letting period (6 months). In total this is likely to be in region of 24 months and the equivalent of £223,087.

3.2 Legal

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

3.3 Community (Equality, Poverty, Rural and Island)

The proposals detailed in this report will potentially attract private sector investment and promote job growth and help support the landward areas surrounding the City.

The project is in early stages and work will take place as part of the re-development with the Inverness Access Panel, and other constituted and associated groups to ensure that the re-development takes account of the needs and access requirements of equality groups. This will inform the equality impact assessment that will be carried out to support the Project.

3.4 Climate Change / Carbon Clever

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

3.5 **Risk**

Delivery of the Action Plan supported by the Business Case, continues to address risks, which range from the need to detail management responsibilities, to being clear about expectations on developing the tenancy mix and market brand. The Project remains set to provide a long-term return for the ICGF and help improve the vibrancy of the City Centre and preserve the reputation of the Council. The need to maintain the confidence of the Tenants will be met by ensuring that Tenants are engaged at all stages.

The attached updated business Case (**Appendix 1**), concludes that the Project remains viable and continues to provide potential for the Market to fulfil its role in the development of a vibrant City Centre as envisaged by the City Vision and is in line with priorities of the developing City Recovery Plan.

Tenant liaison will continue to be a key feature and the Victorian Market Manager, and the City Area Manager will ensure that this process continues to ensure that governance lines and responsibilities are clear to all parties and in particular, that change is managed effectively, with update reports to the City of Inverness Area Committee. This will include regular liaison with the Provost and Central Ward Members and the Victorian Market Stakeholder Group.

COVID risks – All reasonable actions are being undertaken to minimise the impacts of Covid. The updated Business Case ensure that the project remains focussed on maximising project benefits. The project programme is also being assessed to ensure that Covid Guidelines are observed for the protection of the Public and the workforce, with any impacts on project cost being closely monitored.

If the post of Victorian Market Manager is not made permanent, this is a risk to the ongoing daily management and promotion of the Victorian Market and continued delivery of the Action Plan.

3.6 Gaelic

There are no known Gaelic implications arising from this report.

4. Introduction

4.1 The role of the Market within the City

The Market is held on the account of the ICGF and is managed by the Council on behalf of the ICGF. The Council is under a duty to ensure that the ICGF assets are managed efficiently and effectively to produce a Best Value rate of return. Council resources are targeted on:

- managing the Market with a focus on producing a Best Value rate of return;
- managing the daily operation of the Market through the Victorian Market Manager which includes provision of daily Facilities Management services and Marketing and Promotion of the Market
- ensuring that the fabric and structure of the Market is maintained and
- managing the Market accounting for the impact of Covid-19
- 4.2 The market is an asset within the City of Inverness and draws footfall into the City Centre. The mix of tenancies includes a wide range of businesses which fall into the following general categories:
 - varied micro and small businesses, many of which are family owned and have traded from the Market for generations; and
 - specialist businesses such those selling Jewellery, for which the Market is well known.
- 4.3 The Market is seen as a good place to start a new business and many Tenants' have traded for a number of years through negotiating lease renewals at the end of each lease term. This gives an element of certainty. The location of the Market, within the City Centre is recognised by the Inverness City Vision and the City Centre Development Brief.

5. Actions to Date

- 5.1 The report presented to the Committee on 19 June 2017 agreed the Action Plan (**Appendix 2**). The plan highlighted the need to build a Market fit for the 21st century that meets the needs of the ICGF and of the Businesses who invest their future within in it.
- 5.2 The Market has improved its contribution to the economic vibrancy of the City whilst looking to retain and produce a Best Value rate of return for the ICGF.
- 5.3 The Victorian Market Stakeholder Group has been involved in engagement on the delivery of the Action Plan (**Appendix 2**) and development of The Project. The VM Stakeholder Group is made up of:
 - the Council:
 - Market Businesses;
 - adjacent businesses;
 - Inverness Business Improvement District;
 - Federation of Small Businesses; and
 - Inverness Chamber of Commerce
- 5.4 Delivery against the original objectives of the Action Plan can be summarised as follows:

- The Market as a Centre of Business Our lettings policy has ensured that the market contains/draws a broad range of businesses that complement each other and increase footfall to the City Centre.
- Wider Benefits to the City and the Highlands The Market is being mapped
 as a year-round destination for Tourists and Local Shoppers and is being
 promoted to cruise line passengers and the like.
- **Physical Improvements** Access, Signage, Entrances, Opening Hours, and Shop fronts have been reviewed, with a view to improving frontages and opening units' outwards where possible.
- A Media partnership has been established to ensure the public are aware of improvements being made.
- Management and Events/Branding dedicated management has delivered on the Action Plan. Clear targets set within a timeframe are helping to generate a consistent Brand for Marketing.
- 5.5 The Council continues to balance the need to provide a Market Value return for the ICGF with the importance of the Market to the City as a footfall driver and a catalyst for the rejuvenation of the Old Town of Inverness. This, and the importance of furthering the objectives and establishing the Market as a property asset for the City led to the City Committee agreeing in November 2019 to progress with the project to redevelop the Victorian Market Hall and Fish Hall. The City Area Recovery Group have recognised the importance of the Market Hall/Fish Hall redevelopment in supporting the recovery of the City Centre.
- 5.6 Successful implementation of the Project would provide for focus on:
 - further delivery against the Action Plan (Appendix 2);
 - improving rental income to the ICGF;
 - creation of a focal point by using the Market Hall area as a space to attract an anchor Bar/Restaurant/ Cafe tenant; that will drive Footfall and create a destination;
 - managing the tenancy mix utilising the Tenancy Framework; and
 - extending opening hours
- 5.7 The Project will create a modern open market with the capability of being able to have later opening hours, this will involve the removal of all existing shop units, storage areas and toilets including existing services and flooring. The area will be redeveloped with new shop units and an open seating area. New public toilets will be installed; new storage areas will also be installed along with a new office facility.

6. Redeveloping the Market/Fish Halls – Current Position

6.1 The Contract

Pre Covid, the plan was to commence the works in July 2020. The current position is that a preferred bidder is in place and the intention is to proceed to award the Contract once the final Statutory Consents are in place. The final statutory consent, for Building Warrant is expected shortly. Work will commence after a Project Programme has been agreed with the successful Contractor. It is expected to take 12 to 15 months to complete the work which is likely to start later in the Autumn.

6.2 Due to Covid-19 additional measures will be required, and these will result in additional costs and the contract period extending, potentially, to 15 months.

6.3 The Market is a listed building and an elaborate structure dating from 1889 and has a number of small units. The Project will be contained within the envelope of the existing structure.

6.4 The Tenants

The agreed compensation arrangements for Market Hall and Fish Hall businesses will be applied on the awarding of the contract for the Project. Council Officers remain in close contact with businesses to ensure that they continue to offer one to one advice and support, as well as being updated on progress.

- 6.5 As outlined at committee in November 2019, the rental income will be reduced during the compensation (6 months), refurbishment (12 months) and letting period (6 months). In total this is likely to be in region of 24 months and the equivalent of £223,087.
- 6.6 This figure is an indication of the maximum rental loss but due to Covid there would likely be a reduction in rental income regardless due to the time taken to complete the Project.
- 6.7 Following the approval to progress with the Project, of the 18 tenants affected 9 issued Notice to Quit
 - 4 of which have relocated within the City Centre
 - 2 changed their business model to a mobile operation
 - 1 ceased trading
 - 1 consolidated their business operations
 - 1 retirement

Of the remaining 9 businesses

- 4 have relocated to new units within the Victorian Market
- 5 still operate within Market Hall and Fish Hall

6.8 Next Steps

As outlined in the business case agreed by this Committee in November 2019. the Project will allow an opportunity to issue a more up to date lease and the introduction of a Service Charge. It is anticipated this would help address the significant running costs of the Market.

6.9 The Market already has a diverse range of businesses. The Business Plan as updated highlights that an anchor tenant could be identified for the Bar/Café/Restaurant with complimentary Class1 (Retail) and Class3 (Food and Drink) businesses could be identified for the remaining Units in the Market Hall of Fish Hall. This could create the all-weather covered destination within the Old Town.

7. Victorian Market Manager Post

- 7.1 On 19 June 2017 Council approved the creation of the Victorian Market Manager post in principle on the basis of an initial 3-year contract with the funding of that post being met from the ICGF. Following the recruitment process the Victorian Market Manager commenced in post on 21st November 2017. In doing so, the Council retained direct management of the Market.
- 7.2 In November 2019, Members agreed to the redevelopment of the Market/Fish Halls. Given this requirement, and the previous agreement for Council management of the market it is proposed that the Victorian Market Manager Post is made a permanent

established post. The post will continue to have a role in promoting the market, identifying and supporting tenants and maintaining and managing the existing market.

- 7.3 The reporting arrangements for the post currently sit within the Inverness City Area Managers Team. The work of the Victorian Market Manager Post spans the areas of work within the remit of the Inverness City Area Manager, so no change is proposed to the management arrangements.
- 7.4 The Committee is being asked to agree to establish the post on a permanent basis and thereby confirming that the appropriate budget will be available from the ICGF. This will enable the application of Council policy and procedure to recruitment on a full time, permanent basis.

8. Conclusion

8.1 The updated Business Plan (Appendix 1) confirms that the delivery of the Project remains on course to deliver the benefits identified within the original Action Plan (Appendix 2), agreed by Committee in June 2017. The Project will 'future – proof' the asset for the next 15 to 20 years and will deliver an important rental return for the ICGF. It is anticipated that it will also act as an anchor point for the Old Town, improving footfall in both the Market and in the Old Town. It is expected the Project will make the Market more attractive to Families and young people and enhance the Market as Tourist Destination.

Designation: Executive Chief Officer Infrastructure and Environment and the Inverness City Area Manager

Date: 17 August 2020

Author: David Haas, City Area Manager

Kenneth Forbes, Property Manager, Estates Jason Kelman, Principal Project Manager

Background Papers:

GRAHAM * SIBBALD

Business Case Report Coronavirus Review

Proposed Redevelopment of: Market Hall & Fish Hall Victorian Market Inverness

On behalf of Highland Council

Date of Report: 4th August 2020
Our Ref: JM/LT/INV-2020\07\0082



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1.00 Objective / Aim

The purpose of this report is to update the Business Case prepared by Graham + Sibbald in November 2019, in support of the Proposed Redevelopment of the Market Hall and Fish Hall within the Victorian Market Inverness. The focus of the update is to consider the potential impact of Covid-19 on the Refurbishment Proposal and Business Case.

To implement this exercise, we will review the economic impact generally of the Covid-19 Pandemic and thereafter, reflect Government Guidance in relation to how the Proposed Refurbishment will be impacted and provide an overview of potential implications in the medium to longer term for the completed Victorian Market.

In relation to the Redevelopment Scheme proposed at the Victoria Market, we would confirm that this overview applies to the two potential layouts for the proposed development. The Anchor Tenant Scheme adopted in our original report (see Appendix 1) and the "pot wash" Communal Scheme developed since the original report (see Appendix 2).

There are differences between these proposed development schemes that will impact upon the day to day operation, management of the Victorian Market and also potentially have additional Covid issues depending on which scheme is progressed.

2.00 Covid-19 Economic Overview

The UK economy contracted by a record 20.4% month on month in April as the impact of the pandemic and resulting lockdown measures disrupted business activity and spending. Encouragingly, there was an improvement in the May date showing a 1.8% month on month increase in GDP (the second strongest increase on record). June's monthly figures will show a second rise in the economic growth when released on 12th August as shops begin reopening. Survey data such as the PMI are also improving, suggesting that we are past the trough. Nonetheless, the UK will record its largest annual drop in GDP in modern history this year, followed by its largest annual increase in 2021. The full impact of a recession in the labour market will be visible when the Furlough Scheme ends in October. Some forecasters predict the unemployment rate to hit double digits. Financial markets are relatively stable. The FTSE 100 has recovered by 25% from its recent trough in March, but remains some 15% below its pre-pandemic level. Sterling also remains broadly stable, trading at around \$1.25, while tenure gilts have fallen to 0.21% down from 0.85% in January.

Against this background of economic uncertainty, the UK and Scottish Governments are continuing to take unprecedented actions to support the general economy and try and steer the country through this pandemic crisis.

Date: 04/08/2020



3.00 Impact on Original Business Case Report

3.01

Occupier/Development Impact – General Market Conditions resulting from Covid-

With reference to the original Business Case Report attached as **Appendix 1**, the vision and aims of project are clearly established. In relation to the Coronavirus impact on the targeted uses as Class 1 Retail, Class 3 Leisure and also use of Performance and Open Areas for community and cultural events, we would comment as follows:

- There is general uncertainty in the economy and an erosion of business confidence. This is resulting in business closures and redundancies in the retail and leisure sectors.
- The resulting increase in property available to let or for sale will offer potential new entrants to the market more choice. The supply of property will increase.
- There will be less active new entrants to the market whilst the economy is uncertain and business confidence is eroded.
- There will be pressure to maintain historic and established levels of rental and potentially longer void letting periods as a result of the property market impact. Landlords will have to work to conclude lettings on a flexible basis taking account of the "new" market norm.
- The outcome of Covid-19 on the property market generally is not fully known.
 We are dealing with unique times and the implications vary day to day, week to week depending on clusters and outbreaks.
- We have noticed a return to daily shopping, an increase in the reliance of local convenience stores and local shopping has increased.
- We believe that there will be an increase in start ups that are specific to individual geographies and locations. Offering specialist services to local populations.

3.02 Footfall Trends

Footfall figures have continued to improve in recent weeks, inline with the gradual reopening of various sub-sectors. The reopening of all non-essential retail provided the most pronounced overview increase in weekly footfall since the start of the lockdown period, with springboard reporting a 40.3% week on week increase across all UK retail destinations on average in the week up to 20th June 2020.

Date: 04/08/2020



High Streets and shopping centres experienced a marked improvement to weekly footfall following the widespread reopening of non-essential retailers, reports week on week increase of 46.6% and 42.3% respectively. Meanwhile, retail parks had already been benefitting from essential retail and as well as the earlier opening of some homeware retailers, therefore recording a more gradual weekly increase of 24.6% in the week to 20th June 2020.

Footfall growth over the last month has been more subtle, with the week ending 4^{th} July 2020 experiencing a 4.1% increase across the UK on average, compared to the week prior. However, with the 7-day reporting period ending 4^{th} July 2020, this largely downplays the impact of both hospitality and hairdressers reopening in England.

The lifting of lockdown restrictions on pubs, cafes, restaurants and hairdressers helped to boost the weekend footfall.

In respect of the hospitality sector, the Chancellor confirmed VAT will be cut from 20% to 5% for the next 6 months to include food, accommodation and attractions. This is in place as of immediate effect, ending on 12th January 2021. Mr Sunak further announced the "Eat Out to Help Out" Scheme to encourage consumer spending at restaurants, pubs and cafes. This scheme provides a discount of up to 50% (with a maximum discount of £10) and applies Monday to Wednesday. No announcement has been made in relation to additional support to be provided to the retail sector.

The Scottish Government had announced a further easing of lockdown restrictions on 18th and 24th June 2020 with the initiation of Phase 2 of the Four Stage Plan. The announcement of Phase 2, as of 29th June 2020, means that outdoor markets were able to reopen, along with all non-essential shops of all sizes, if they have outdoor entrance and exit points.

Outdoor businesses have also been able to reopen from 29th June 2020. Beer gardens and outdoor restaurants were permitted to reopen from 6th July 2020, with pubs and restaurants allowed to use indoor areas from 15th July 2020.

Indoor shopping centres, however, remained closed, with the exception for access to essential shops including supermarkets and pharmacists.

Further guidance was provided on 2^{nd} July 2020, with the First Minister commenting that the 2 meter social distancing rule would be eased for some premises as Scotland entered the next phase of recovery from 10^{th} July 2020. Face coverings also became mandatory in shops from this date.

The wider tourist industry in Scotland opening from 15th July 2020 with pubs and restaurants permitted to relax the social distancing rule, if plastic screens are in place or better ventilation is installed. In addition to the reopening of shopping centres from 15th July 2020, museums, libraries, galleries, cinemas and hairdressers were also permitted to reopen, although few have.



Whilst the Governments have been supportive in reopening on a staged basis having had consideration to the research and implication of Covid-19, there are concerns that the hospitality sector in particular, could face further lockdown measures if there are continued spikes in Coronavirus resulting from bars, restaurant and retail premises. This has been seen in Aberdeen recently.

In summary, we are dealing with uncertain times. The headlines and daily news is dominated by the impact on the general economy and the larger cooperate chains which have been fundamental to the High Streets and leisure sectors within the UK.

However, turning to the Inverness Victorian Market, we would comment that this is a unique asset within the city of Inverness. The "pot wash" and Anchor Tenant Schemes proposed for the redevelopment both represent attractive schemes within a unique city centre asset. Sensitive redevelopment with targeted marketing and a coordinated management regime, can make best use of this asset and leverage economic benefit for the entire city centre of Inverness. Undoubtedly, there will be more challenges required to secure tenants and maintain a steady income flow from the asset, whilst there is pressure from additional management fees to provide a Covid compliant asset.

In particular, we would point to the number of small specialist operators offering a "local" service as being ideal tenants for a refurbished Victorian Market.

We believe that "new" operators will require flexibility and the Victorian Market as refurbished has the potential to offer this. Flexibility on floor space, deal structure in a unique environment remodelled asset.

4.00 Considerations on the Victorian Market Redevelopment Resulting from Covid-19

The Scottish Government has detailed advice in relation to the operation of Class 1 Retail Units and Class 3 Licenced Leisure Premises, reflecting the pandemic and wish to control spread within the community. Examples of this are as follows:

Physical Distancing - Signage and Marking To provide clarity in relation acceptable distancing for ques etc.

Physical Distancing - Store Capacity

To comply with physical distancing, the capacity of stores operating on a compliant basis need to be clear and established. Lifts should only be used by people with disabilities and shopping centres should take responsibility for regulating the number of customers in the centre and communal areas.

Physical Distancing - Staff and Customer

If premises have more than one access point, a one way system should be established. If possible, the arrival of staff should be staggered.

Coronavirus Review - Proposed Redevelopment of Market Hall & Fish Hall, Victorian Market, Inverness Date: 04/08/2020

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Identification of High Risk Areas such as Pinch Points

For example, stairs or toilets should be established and a mechanism to minimise risk incorporated.

Physical Distancing - Key Management

In relation to access to stores and internally for tills, clear key management should be in place.

Physical Distancing - Adapting Services

Face to face services that cannot remain the 1-2 meter physical distancing cannot be offered and should stop.

Hygiene

Customers should be encouraged to use contactless cash payment. Customers should be encouraged to wash their hands by providing hand sanitation.

Cleaning Regime

Work areas, staff rooms, canteens and equipment should be cleaned frequently between uses. Set clear use and cleaning guidance for toilets to ensure they are kept clean.

Customer Staff and Support

Provide written and verbal communication on latest guidelines to all staff and customers. Provide active travel facilities to encourage staff and customers to walk or cycle to premises, such as bike racks where possible.

These are examples of Government guidance that retailers and leisure operators have to adopt to facilitate occupation of their premises and trade from them. Within the timescales of the Proposed Redevelopment of the Victorian Arcade, and bearing mind the unknown date for which a vaccination for Covid-19 will be introduced, it would be prudent to consider that some or all of these guidelines will require to be adopted to open the Redeveloped Victorian Market. On that basis, consideration should be given to how occupiers can trade from the Proposed Refurbished Scheme and practical considerations, such as management of toilets, provision of services and access to the public and staff are considered.

We must also point out that the Covid-19 situation is unprecedented and that whilst the Government Guidelines provide practical feedback and assistance on the operation of retail and leisure properties, they are subject to change at rapid pace to reflect the developments and implications of the pandemic, both locally and nationally. It is therefore impossible at this stage to second guess the implications on any property.

Again, we would emphasise that this asset could be an anchor/differentiator for Inverness city centre presenting a "new" retail offer supporting the established traditional retail offer.

Coronavirus Review - Proposed Redevelopment of Market Hall & Fish Hall, Victorian Market, Inverness Date: 04/08/2020



5.00 Inverness and the Highlands – Travel and Tourism

It has been clearly established that travel and tourism to Inverness and the Highlands forms a key part of the economy of the region. Under the Business Case Report, we had proposed that investment within the city centre on the Redevelopment of the Victorian Arcade, would provide a unique asset that would assist in the overall promotion of Inverness as a tourist destination. The Refurbish Scheme in the mid to long term would enhance the following:

- Unique covered offering to the city centre.
- Focal point for the Old Town within Inverness city centre.
- Create a new retail unit offer for retailers different to corporate style of occupiers.
- Encourage a market retail experience with a city centre.
- Offer facilities for community leasing etc.

The Covid-19 Pandemic has had a significant impact on the tourist and hotel sector with internal travel, subject to quarantine and bans depending upon the relative exposure of Covid-19 within countries. Currently, the Scottish Government is reviewing and creating air bridges to countries with acceptable levels of Covid-19. These are under review continually, as recently shown by the change in guidance in relation to people returning from Spain and France following a spike in the Covid-19 rates.

Inverness and the practicalities and commerciality of the retail and leisure property market, will be influenced by the success of the tourism sector. In this regard, we believe that there will be demand from international tourist as and when travel has been freed up and also new markets in the form of "staycationers", bearing in mind the complexities of foreign travel at present. Both of these sectors will continue to use Inverness as a focal point for investigation into cultural routes, the geography and environment of the Highlands and therefore, developing the Victorian Arcade can accommodate and deliver a unique experience.

Date: 04/08/2020



6.00 Summary / Overview

Undoubtedly, Covid-19 has caused economic uncertainty and challenges for the general business community within Inverness and the UK. There are challenges resulting in operating and maintaining profitable businesses as a result of the lockdown and general erosion of business confidence. The Scottish and UK governments are providing guidance to operators to work safely, minimise risk from clusters and outbreaks, whilst continuing to support and assist businesses with a view to maintaining profitability and active and vibrant city centres.

Inverness is not unique to any other Scottish or UK city in that these challenges will impact on some businesses. We believe that there will be new retail trends resulting from Covid-19 and the implication on the traditional retail and leisure sectors. These include the increase in local shopping, the potential increase in start ups of specialised and bespoke natures looking for smaller local markets within which to operate. We believe that these will help to improve the offer and support the traditional corporate retail offer within Inverness city centre.

The Victorian Market is a unique asset. A sympathetic refurbishment creating a unique retail experience in a covered environment will, we believe, create a demand for new occupiers in a "different" environment. We believe the Anchor Tenant Scheme and resultant new units will cater for new entrants to Inverness city centre and offer something different to support the traditional High Street and Eastgate Shopping Centre.

The Victorian Market is not immune from the impact of Covid-19 but we believe the uniqueness, strength of Inverness and the Highlands as a tourist destination and the market returning to balance in the mid to long term, protect it from the economic uncertainty resulting from Covid-19. On that basis, we believe that it will be successful despite the impact of the Covid-19 outbreak on the basis that it is developed sympathetically, priced correctly and managed well to create a new facility.

We trust this report is sufficient for your present purposes but should you require any further information, please do not hesitate to contact this office.

Yours faithfully

John MacBean, BSc MRICS, Partner

RICS Registered Valuer

For and on behalf of Graham + Sibbald

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Appendix 1.00

Original Business Case Report dated 8th November 2019



Business Case Report

Proposed Redevelopment of: Market Hall & Fish Hall Victorian Market Inverness

On behalf of Highland Council

Date of Report: 8th November 2019 Our Ref: CL/LT/2019\09\0137

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4.00 Case Studies for Similar Public Sector Investments

4.01 Commercial Property / Civic Buildings

a. 1-5 Church Street, Inverness

b. Town House, Inverness

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3.00	Market Hall and Fish Hall - Existing Rental Income and Running Costs
4.00	Market Hall and Fish Hall – Proposed Redeveloped Floor Plan
5.00	Market Hall and Fish Hall - Proposed Rental Levels
6.00	Existing Footfall Figures (April - Sept 2019)
7.00	Proposed Updated Tenancy Framework

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1.00 Introduction

Graham + Sibbald have been instructed by the Highland Council to prepare a Business Case report to assist with the Proposed Redevelopment of the Market Hall/ Fish Hall within the Victorian Market, Inverness. A collaborative approach has been undertaken in the preparation of this report led by the Inverness City Area Manager. Contributions have been provided by Highland Council's Estates Team, their Planning Team, as well as the Inverness City Area Manager and the Victorian Market Manager. Further contributions have been provided by Kevin Murray Associates who produced the original Inverness Victorian Market Action Plan Report (May 2017) as well as the Victorian Market Stakeholder Group, Inverness BID, Inverness Chamber of Commerce and The Federation of Small Businesses. This report incorporates all of the above contributions as well as Graham + Sibbald's advice into this Business Case Report.

1.01 The Victorian Market and Inverness Common Good Fund (ICGF) (Provided by Inverness City Area Manager)

The Victorian Market (The Market) is an Asset of the Inverness Common Good Fund (the Fund) and is managed by the Council on behalf of the Fund. The Market is a Category B Listed building dating from 1869/70. The Council is under a duty to ensure that Fund assets are managed efficiently and effectively to produce a Best Value rate of return. Council resources are targeted on:

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

The total value of the ICGF (£31.616m) is under the governance of the Council. This is not controlled by a Trust Deed but by the principles laid down in legislation and case law and covers investments, grants and general expenditure. This results in:

- · the principles of Best Value being applied
- the principal benefit of resources going to the residents of the former Burgh of Inverness; and
- funds being allocated against essential expenditure first. Surplus funds being invested in shares and property so as to consolidate and grow the ICGF for future generations.

The Common Good Assets as at 31st March 2019 can be summarised as follows:

- land and property (including Town House) value £22.127m
- heritage assets (pictures and artefacts) value £2.063m
- investments (equity portfolio) value £7.379m (valuation as at 31st December 2018- £7.363m)
- sundry debtors value £0.034m.
- loans fund deposits value £0.082m
- sundry creditors value (£0.069m)

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The Victorian Market holds a key position in the centre of the City. It lies in the heart of the main shopping area and the surrounding streets have seen significant investment to improve amenity, in the last 15 years. The exception is Academy Street, however plans are in development which, if successful in achieving funding from National and local agencies, will see significant improvements.

Experience shows that healthy cities and towns have healthy commercial centres. Like many comparable cities while Inverness city centre has suffered in the past from an increase in out of town shopping and increased online spending a significant amount of effort is currently being invested by the council in the city centre. One of the assets with the ability to offer transformational change, particularly to the old town is the Victorian Market.

As one of Inverness' greatest underutilised assets the Victorian Market offers scope for carefully considered redevelopment to deliver significant benefits to the ICGF, Market Traders, the citizens of Inverness and the wider Highlands and Islands.

Planning Context (Provided by Highland Council Planning Team)

The Inverness City Centre Development Brief (The Brief) sets out the Council's strategy for development in the city centre, including the Victorian Market, which is regarded as a major heritage asset. Its role to support the vitality and vibrancy of the city centre is recognised in its ability to attract footfall and a wide range of visitors due to its unique range of shops and interests. It is an integral part of Inverness Old Town and home to the best assembly of small shops and historic shopfronts in the city centre. The structure itself is architecturally and socially significant and offers connectivity and permeability to the streets that surround it. The Brief seeks to promote the redevelopment of the Victorian Market so that the city centre continues to be a great place to visit. It is considered that to achieve this, partnership working through the Victorian Market Stakeholder Group is required to identify ways to sustain and improve the economic viability of the market and attract increased footfall. The Brief also recognises the Victorian Market as being part of the city's 'Station Quarter' where it is identified as a key Heritage Asset with significant potential for sensitive re-use/renovation including night time uses. The Brief's Vision is to transform the Station Quarter into a key city centre destination through redevelopment of key sites, including the Victorian Market, combined with public realm, walking and cycling improvements.

The Inverness City Vision also centres on the rejuvenation of the City centre. Connectivity is an important factor and there is intent to progress schemes which increase all abilities access to the city centre. However, we need destinations which hold people's attention so that dwell time increases which gives the Retail Sector the best chance of increasing turnover and profit which in turn has a positive impact on money coming into the local economy and the number of Jobs.

The Victorian Market is already 'Home' to a number of successful independent retail businesses. Enhancing the capacity of the Victorian Market to attract more quality independent retail businesses will not only transform the Victorian Market into a destination but also enhance the centre of the City as a place to invest for other independent Retail Businesses.

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1.02





This fits with the objectives of the Inverness Common Good Fund in respect of developing and enhancing its financial returns for future Generations but also in providing for a sustainable base to develop the general vibrancy and wellbeing of the City for the principal benefit of the Residents of the Burgh.

2.00 Background to Proposed Project

2.01 Current Status of the Agreed Action Plan

In May 2017, the Highland Council and Kevin Murray Associates produced the Inverness Victorian Market Action Plan Report, a copy of which is available to Members if required. This was based on a number of workshop sessions undertaken with Stakeholders and Market Businesses to identify the next steps in the regeneration of the Victorian Market. This set out that the Market needed to be guided by a coherent and comprehensive strategy that enables it to reach the aspirations of the wider Inverness Community, traders and other local businesses.

An update report prepared by the Victorian Market Manager is attached in Appendix 1 for reference. This sets out the progress that has been made in delivering the agreed action plan. Importantly key operational data from the running of the Victorian Market is now being gathered. This includes vacancy rates, footfall, website traffic and crime statistics. It is proposed this information will be used to assist continued improvement of the running of the Market going forward.

2.02 **Current Financial Position**

We attach in Appendix 2, a copy of the existing Floor Plan for the Market Hall/ Fish Hall for reference. There are currently 25 retail units ranging from 9 sq.m. (97 sq. ft) to 60.4 sq.m (651 sq.ft) with a total net lettable area of 565 sq.m. (6,082 sq.ft). These currently produce a gross rental income of £111,544 per annum (2019/2020). There are six vacant units (Units 1, 3, 4, 10, 13A and 15). We set out in the table below, a summary of the total rental income generated from the 19 let units, and the estimated rental income the 6 vacant units could achieve:

Retail Units Market Hall / Fish Hall	No.	Size	Rental Income (Gross)	Annual Running Costs 2019/ 2020 (Estimated)	Income (Net)
Let	19	4,544 sq.ft	£111,544	£170,497	•E58,953 *As currently stands
Vacant	6	1,538 sq.ft	£39,834	*Included above	-£19,119 *If fully let
Total	25	6,082 sq.ft	£151,378	£170,497	

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In the table above we have included current running costs as provided by the Highland Council. Annual running costs in 2019/2020 for the entire Market are estimated to be £266,402 per annum. Rental income for the entire Victorian Market is estimated to be £237,402, showing the entire Market will lose -£29,000 this financial year. The entire Victorian Market made a small loss in 2018/2019 of £8,164, however, in the three prior years, 2015 through to 2017, it made surplus from a high of £105,405 (2015/16) reducing to £36,046 (2017/18). Interestingly rental income has only reduced moderately ranging from £237,402 (2019/2020) to £270,758 (2015/2016). Conversely running costs have fluctuated significantly from £165,353 (2015/2016) up to £266,402 (estimated for 2019/20).

Based on a pro rata analysis, the Market Hall/ Fish Hall make up 64% of the entire Victorian Market. The Market Arcade makes up 36%. We have been advised by the Highland Council that no running costs are recovered from the Queensgate Arcade with the units being in private ownership. We have therefore apportioned the total running costs as 64% to the Market Hall/ Fish Hall and 36% to the Market Arcade. On this basis, apportioned annual running costs for 2019/2020 would be £170,497 for the Market Hall/ Fish Hall and £95,905 for the Market Arcade.

The table above shows the financial position with the Market Hall/ Fish Hall is worse than the overall Market. Once costs are apportioned pro rata the Market Hall/ Fish Hall is set to make a loss of -£58,953 in 2019/2020. Arguably, this loss is slightly exacerbated as 6 of the units currently remain vacant. However, even assuming the 6 vacant units were let, this would add approximately £39,834 rental income but would still lead to a loss (2019/2020) of -£19,119 this financial year.

This analysis highlights that whilst the overall Victorian Market is expected to make a small loss of £29,000 (estimated 2019/2020), the position is worse for the Market Hall/ Fish Hall when costs are apportioned on a pro rata basis where the loss will be -£58,953.

We have been advised by Highland Council that the rental tone in the Market Arcade is higher than the rental tone in the Market Hall/ Fish Hall. Given the Market Hall/ Fish Hall is making a lower rental income per sq.ft, it is understandable that it is actually making a greater percentage loss pro rata than the Market Arcade. As we have not been provided with rental figures to complete an analysis on the Market Arcade, we have drawn the conclusion that the Market Arcade must be making a small surplus which is helping cross-subsidise the significant annual loss that the Market Hall/ Fish Hall is making. On this basis, we have drawn the conclusion that the Market Hall/ Fish Hall are a failing asset and a significant liability that is costing Inverness Common Good Fund money. Clearly action is required and any commercial owner of the property would seek to address this loss with the aim of converting this to a positive return as soon as possible.





2.03 Issues and Trends in the Retail / Leisure Market

Nationally

As many commentators have highlighted the retail/ Leisure market continues to undergo structural change. Nationally across the UK, the number of vacant retail units stands at a record high. Based on research by Springboard, UK vacancy rates for shops reached 10.3% in 2019. A significant number of long established and well-known brands entered administration or receivership with names like Toys "R" Us, Maplin and Poundland going bust. Set against this backdrop, consumer shopping habits are changing with consumers now spending £1 in every £5 online. On this basis, retailers are seeing a 20% reduction in sales through traditional retail units. At the same time, running costs continue to increase. The Office for National Statistics confirmed that online sales as a percentage of total retail sales has increased from circa 13% in 2016 to approximately 20% in 2019. Whilst Supermarkets are not performing quite as well as previously, they still continue to soak up considerable retail spend and offer competition to traditional city and town centre retailers. Edge of town Retail Parks also continue to compete strongly with traditional city centres as they are able to offer considerable free parking and potentially easier car access.

Combined with these significant structural trends, footfall in traditional city centres and High Streets is declining nationally. Based on research by the retail analytics company Springboard, footfall in main UK towns and cities has declined at just under 2% in 2018 to 2019. We would stress that footfall is the life blood of city and town centre retail. Without stimulating and creating footfall, this risks significantly reducing retailers' ability to deliver traditional retail sales in town and city centre retail units. Based on research by the British Retail Consortium between March 2016 and 2019, UK retail lost 106,000 jobs. Interestingly, they noted there were a number of bright spots for traditional High Streets with takeaways including coffee shops, gyms and leisure users seeing some of the largest increases in store openings. Across the UK, pubs, bars and restaurants were the second and third highest number of new store openings. Some analysts have argued this reinforces a move away from more traditional retailing towards more leisure based activities with consumers seeking to come into town or city centres for an experience and to enjoy leisure facilities whilst combining this with discretionary retail spend. The majority of key shopping centres across the UK have recognised this trend and are now focusing heavily on improving and maintaining their leisure and food offers as they recognise this draws consumers into their shopping centres creating footfall and whilst consumers are there, they may take the opportunity of retail spend. This is an important factor in the overall market dynamics and one which is very applicable to the Market Hall/ Fish Hall within the Victorian Market.

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Locally within Inverness

The national market trends highlighted above apply to Inverness city centre. The retail/ leisure market within Inverness city centre has restructured considerably over the last 5 years. Headline rents on Inverness High Street peaked at £90 - £100 psf Zone A, but have now fallen back to £40 to £50 psf Zone A. Rents on secondary streets closest to the Victorian Market, including Union Street, Church Street, Queensgate and Academy Street, have fallen back from previous highs of £40 psf Zone A to £25 to £35 psf Zone A. A number of traditional well-established city centre retailers have taken the opportunity afforded by these reduced rents to relocate from parts of the old town to units on the High Street. Most recently Alba Travel moved from Church Street to the High Street. As a result, Inverness High Street whilst still having a number of vacant units, has managed to prevent significant decline. Conversely, secondary streets close to the Victorian Market have faced stiff challenges and have seen an overall rise in the number of vacant units. This has been offset to a degree by the considerable change in Church Street with the opening of a number of restaurants and bars which have seen this continue to develop as a key thoroughfare for the night time economy. The opening of Revolution at the top of Church Street and the opening of the Black Isle Brewery Bar have reinforced this trend and have helped transform Church Street into a key thoroughfare for the night time economy.

The current bus routes through Inverness City centre also provide an important conduit for delivering people into the Old Town and stimulating footfall, however, other than the Post Office, the Old Town and the streets mentioned above, lack any significant anchor point which drives daytime footfall. The Victorian Market offers clear potential to become a focal anchor point to encourage more people and footfall through its four entrances that would then see spin off benefits of increased footfall for surrounding streets. There is obvious potential to link this to the ongoing redevelopment of Inverness Station and any Academy Street upgrade works.

Many commentators in the property market are arguing that as Private Sector investment in traditional city and town centres has decreased there is now an increased importance on Public Sector investment in town and city centres viewing them as valuable assets that require regular and ongoing investment. This view follows that if the Public Sector invests it can act as a key driver to encourage and facilitate Private Sector investment to follow. As a result, a number of Public Sector Bodies and Councils across the UK are recognising their important role and are pursuing considerable investment projects in town and city centres within Scotland. Aberdeen City Council have pursued the Marischal Square Redevelopment (www.marischalsquare.co.uk) and in Dundee, Dundee City Council continue to pursue their long term masterplan to link the city centre back to the waterfront. (www.dundeewaterfront.com)

In summary, it is important that the Highland Council view Inverness city centre as an asset and recognise the considerable benefits that targeted investment can have and the significant benefits a redeveloped Market Hall/ Fish Hall would have.

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2.04 Issues Affecting the Existing Market Hall / Fish Hall

Financial

The analysis set out within this Business Case demonstrates that the market hall/ Fish Hall are achieving rents at approx. 65% of the level of rents being achieved within the Market Arcade. At the same time, there are considerable running costs associated with the Victorian Market and when apportioned pro rata, these show that the Market Hall/ Fish Hall is forecast to make a considerable loss of -E58,953 in 2019/2020.

Trading Conditions and Footfall

Footfall analysis figures have been captured by the Victorian Market Manager starting in April this year. These demonstrate that footfall through the Church Street entrance is regularly the lowest of the four entrances in the Victorian Market, meaning that the footfall through the Market Hall / Fish Hall is the lowest within the Victorian Market. Copies of the footfall figures are attached in Appendix 4. These show that the Church Street entrance averages between 10.4 and 12% of footfall. The other three entrances generally average around 30% each with a fairly equal split other than when scaffolding was erected for works. Interestingly the figures also show that Cruise ships in Invergordon and events such as the BID Easter event have a clear correlation with increased footfall within the Victorian Market. Anecdotally there is a view from stakeholders/ existing Market Businesses that not enough retail spend/ dwell time is being achieved from tourist footfall particularly within the Market Hall/ Fish hall. There is a general view the Market Arcade works and presents better as a tourist visitor experience both due to the physical appearance and the existing retail mix.

Visually, when you enter the Market Hall/ Fish Hall, customers gain very little appreciation of the stunning Market hall roof and the attractiveness of the overall structure. The existing passageways can be relatively poorly lit especially if individual units are closed and the entire visitor experience in this section of the market is arguably sub-standard and does not present the best of Inverness.

3.00 Vision and Aims of Project

3.01 The Redevelopment Proposals for the Market Hall/ Fish Hall

We attach in Appendix 3 a Floor Plan showing the Proposed Redeveloped Market Hall/ Fish Hall as prepared by 360 Architecture. We emphasise that this Floor Plan is not fixed and may be subject to further slight variation. Based on the Highland Councils past experience, smaller units let well and suit start-up businesses. The plan shows 15 units are proposed, however this number may increase as units could be subdivided. There is flexibility. Key features of the Proposed Redevelopment are as follows:

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- The focal point of the redevelopment will be the opening up of the Market Hall to create a feature central atrium area. It is proposed this will be used for seating that will be let to café, restaurant, bar tenants on a licence basis. This matches many of the successful case studies from other similar market halls. Details of these are set out in section 4.00 of this report.
- Units 6 and 7 extending to 103 sq.m (1,108 sq.ft) will be available to a key anchor tenant which will be a cafe/bar/restaurant operator. A number of parties have already expressed interest in leasing these combined units. This will be an important focal point for the redeveloped Market Hall/ Fish Hall and will act as a key footfall driver.
- Based on the plans there will be 500 sq.m. (5,385 sq.ft) of lettable area which is a circa 10% reduction on the current lettable area of 565 sq.m (6,082 sq.ft). However this will allow the creation of a significant central seating area that will be flexible and could also be used for events/performances. This will give a covered all weather internal facility.
- New male and female toilets will be created to the rear of the existing Fish Hall with the Market Managers Office adjacent.
- It is proposed to retain the existing high level small train as a feature and unique selling point of the Market Hall/Fish Hall.
- All of the newly redevelopment units will be available to existing tenants or new potential tenants.
- It is proposed that marketing of the proposed new units will begin
 immediately on award of a tender for the project. It is hoped that the
 majority of units can be pre-let before practical completion. Based on
 current research, it is expected a number of the existing tenants may be
 able to move back in to the Market Hall on new tenancy agreements.
- The Market Hall/ Fish Hall will be available for Class 1 (Retail) and Class 3 (Food and Drink) Uses. Class 2 (Financial and Professional) will not be considered.
- It is anticipated the retail units around the perimeter of the Market Hall will be let to a range of retailers and cafés. Due to constraints with potential ventilation requirements, it is only the anchor Units 6 and 7 and potentially some of the other units in the Fish Hall that are capable of accommodating ventilation for the preparation of hot food, however, cafe operators could open in the Market Hall if they are reheating food or coffee. It is hoped that a wide range of retailers will end up as tenants creating a vibrant mix of retail and food and drink tenants that will complement each other.
- Subject to receiving committee approval, it is anticipated a tender for the
 project would be issued in early 2020 with a contractor appointed and
 work starting in Summer 2020. It is anticipated the redevelopment works
 will take a period of 10 months to complete with the redeveloped Market
 Hall and Fish Hall being available in 2021.

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· We have set out in section 3.05 of this report, details of compensation and assistance that will be granted to existing market traders that will have to relocate during the construction phase of the project. It is acknowledged there will be disruption for existing traders and that some traders may choose not to return to the market, however, we believe that the benefits of the project are significant and those traders that do return will see significant improvement to trading conditions.

3.02 Proposed Tenancy Framework

As part of the redevelopment proposals, the existing Tenancy Framework for the Victorian Market will be updated. This Tenancy Framework will continue to be reviewed on an annual basis. As set out in the section above, the Market Hall/Fish Hall will initially be restricted to Class 1 (Retail) and Class 3 (Food and Drink) Uses only. Available units will be fully marketed in line with existing Highland Council Policy with closing dates set allowing any party to bid for a particular unit. Bids will then be considered in line with the Councils Tenancy Framework.

Management rules for the Market will be contained within the Tenancy Framework. These will include core operating hours. It is proposed that the Market would open between 7am and 10pm although this may vary slightly depending on the incoming tenants' requirements. Traders will be required to ensure their premises are open during core hours and a Keep Open clause will be included in any new leases.

It is proposed the new leases will include rent review provision, with rents increasing to the higher of Market Rent or in line with the Retail Price Index. This is being implemented to protect the Common Good Fund against inflationary risks. The new leases would present an opportunity to consider the introduction of a Service Charge. The current Market Stakeholders Group will continue and Stakeholders will have the ability to contribute to the setting of the Tenancy Framework on an annual basis. If there are any specific Management Rules that are found not to be working then there will be scope to review these.

3.03 **Expected Benefits of Delivering the Project**

Increased Rental Return

It is proposed to set a rental tone rate of £40 psf for the redeveloped units within the Market Hall/ Fish Hall, bringing rents broadly into line with those in the Market Arcade. The existing rental tone has considerable variation however all are lower than the Market Arcade. The reason for this is likely to be those individual lettings relate to specific circumstances at the time of each letting and the Market Hall/Fish Hall is perceived as poorer trading space. These quoting rental levels have been carefully considered by the Highland Council's estates team who will have responsibility for letting the redeveloped units. Graham + Sibbald have also provided input. Generally retail rents on surrounding streets range from £25 to £35 sq.ft. Zone A however the majority of these units tend to be larger sizes so a degree of quantum should be considered. Generally retail units on surrounding streets will also pay a small service charge for common repairs. On that basis it is considered to be realistic to seek to achieve all-inclusive rents of £40 sq.ft within the

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redeveloped Market Hall/ Fish Hall. The key justification being that if footfall for tenants can be increased within the Market Hall/ Fish Hall then broadly rental levels across the entire Victorian Market should come into balance as trading conditions for all tenants should improve. It is accepted there will always be individual units that may have slightly lower or higher rental levels per sq.ft due to issues such as size (quantum), unit layout or exact position within the market. It will be important some degree of flexibility is maintained by Highland council estates team to achieve lettings. Given expected levels of demand it is not anticipated incentives will be offered to tenants and that closing dates inviting bids will be set. However incentives may have to be granted to achieve some of the key lettings. For example the anchor Bar/ Restaurant/ Café tenant will be a key component in the success of the redevelopment. They will likely face considerable fit out costs to fully equip and fit out any kitchen and seating areas. On that basis in the majority of similar commercial transactions landlords would grant either a rent free period or a capital contribution to assist. It is recommended Highland Council's Estates Team retain flexibility to negotiate incentives if required for key lettings. It is anticipated these will be structured as rent free periods.

We attach in Appendix 4, a copy of the Proposed Letting Schedule for reference setting out the total estimated rental value of each of the proposed 15 units. As mentioned above, we would emphasise the number of units may increase as units could be further sub-divided. This confirms that the Market Hall/ Fish Hall will have a total estimated rental value if fully let and on expiry of any tenant incentives of £215,400 per annum. The Highland council will need to retain a degree of flexibility with regard to rental levels particularly for larger units where quantum discounts may apply. Previous experience of letting units within the market has demonstrated that smaller units let well. The threshold for small business rates relief for those units with Rateable Values below £15,000 is also an important pricing point. Full details on this rates relief is available at (www.mygov.scot/business-rates-relief/small-business-bonus-scheme/).

The Highland Councils estates team and the Victorian Market Manager have confirmed that they would expect a slight increase in the running costs for the Market once redevelopment is complete.

In summary the Inverness Common Good Fund would go from a position of making an expected loss for the Market Hall/ Fish Hall of .658,953 per annum (2019/2020) to a positive position of making a surplus £44,903 per annum within 6-12 months after completion of the proposed redevelopment assuming all units are fully let.

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b. Increased Footfall

The Victorian Market Manager has started to gather footfall data for the Victorian Market. This is powerful data to have and will prove very useful going forward for both the Inverness Common Good fund as landlord and the tenants. A copy of the Footfall figures (April - Sept 2019) are attached in Appendix 5 for reference. These demonstrate the Market Hall/ Fish Hall currently have the lowest footfall rates across the Market. It is anticipated that once the redevelopment is complete, there will be a considerable increase in footfall rates within the Market Hall/ Fish Hall to the benefit of all the tenants. The Victorian Market Manager will continue to gather this important data as a record on a monthly and annual basis. The existing data highlights some important key drivers of footfall. When cruise ships are in Invergordon they provide an important generator of footfall with spikes in average footfall rates. External and internal events also increase footfall. One of the benefits of the proposed redevelopment would be to create a larger open plan atrium area that could be used for more events. A programme of such events is proposed once the redevelopment is complete. Based on the September 2019 figures, the following average footfall rates per hour were recorded:

Sept 2019	Average (per hour)	Percentage %
Academy Street	271	25
Union Street	304	29
Church Street	126	12
Queensgate	367	34

This September analysis notes there was a steady decrease in footfall throughout the month and that scaffolding at the Union Street and Academy Street entrances also had an impact reducing use of those entrances. The figures also show the single highest footfall figures occurred on Monday 2nd September when a cruise ship was in Invergordon. On that day an average of 583 people per hour used the Queensgate entrance. Interestingly 5 shops within the Market with 3 of those being in the Market Hall/ Fish Hall were closed on that day and experienced no benefit of that significant footfall. Equally tourists experienced a covered indoor Market Hall/ Fish Hall where 12% of the shops were closed. We can only speculate at the views they must have formed based on this experience. The Market, as a whole, benefits from a slight uplift of footfall every month when the Farmers Market is set up at Eastgate and the following results indicate that the City Centre benefits from added footfall during City Events:

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Event	Date	Footfall	
Easter Weekend BID Egg Hunt	Fri 19.4.19	+23% vs. prev Friday	
Easter Weekend BID Egg Hunt	Sat 20.4.19	+9% vs. prev Saturday	
European Pipe Band Championships	Sat 29.6.19	+45% vs. prev Saturday	
Highland Games	Sat 20.7.19	+6% vs. prev Saturday	
Inverness Gala/Proudness	Sun 21.7.19	+80% vs. prev Sunday	

A clearer indication of trends in footfall will be established after April 2020 when like for like figures can be compared.

Going forward it is proposed the Victorian Market Manager may seek to introduce a questionnaire to capture visitor experience so this information can be shared with tenants and the Highland council estates team to continue to improve how the Market Hall/ Fish Hall will operate to ensure a positive visitor experience.

c. Improved Trading Conditions for Tenants

On Completion of the redevelopment it is anticipated that increased footfall will be generated particularly into the Market Hall/ Fish Hall. This will significantly increase the ability of tenants to grow turnover and profitability through increased sales opportunities. By creating a feature atrium area with seating coupled with food offerings from café's and the anchor bar/ restaurant/ café it is expected visitors will increase dwell time within the Market Hall/ Fish Hall. This should improve trading conditions for retailers in the Market Hall/ Fish Hall as they will have significantly increased opportunity to achieve retail sales. The Highland council estates team and the Victorian Market Manager will continue to work with tenants and the stakeholder group to ensure the optimum mix of tenancies is achieved within the Market Hall/ Fish Hall to create a vibrant and successful Market Hall/ Fish Hall. It is envisaged a proportion of existing market traders may be able to return to the Market Hall/ Fish Hall to benefit from the improvements.

It is also expected the above will deliver an economic boost with additional jobs being created. Highland council estimate the Market Hall/ Fish Hall currently supports approx. 22.5 FTE with 4.5 FTE Highland Council and Agency staff employed in the Victorian Market. It is estimated the redeveloped Market Hall/ Fish Hall will create additional new jobs both in traditional retail units through longer core opening hours but also by new café's and the anchor Bar/ Restaurant/ Café. The exact number of jobs will depend on the final tenancy mix. On completion of the redevelopment the Victorian Market Manager will capture this data for annual review.

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d. Future Proofing the Asset

The existing Market Hall/ Fish Hall can be classed as a failing asset/ liability based on the substantial estimated net loss that will be made this financial year. The redevelopment proposals will deliver significant capital investment to modernise and future proof the asset in the medium term. The project will deliver refurbished retail units of a size ideally suited to start up business and small traders. By creating a better physical environment including a feature atrium area and delivering a suitable anchor tenant, it is expected this will significantly improve trading conditions for occupiers. It will also allow Inverness Common Good Fund to achieve a positive rental return, ensuring that the asset continues to improve in performance over the next 5 to 15 years.

e. Significant Improvement to Customer/ Visitor Experience

As noted earlier within this report we can only speculate at the tourist visitor experience on Monday 2nd September. Going forward the Victorian Market Manager will seek to implement a questionnaire to gather data and quantify the visitor experience. This data will be used by Highland councils' estates team and the stakeholder group to continue to improve the Market to deliver a positive customer/ visitor experience.

Tourism and tourism spend is playing an increasingly important role in the Highland economy. Improving the Tourist visitor experience and increasing tourism spend are priorities to continue to grow the Highland economy. It is expected the redeveloped Market Hall/ Fish Hall will deliver a much improved visitor experience maximising tenants' ability to achieve sales of goods and produce.

Based on research undertaken by the Victorian Market Manager Various campaigns have been devised to drive footfall to the Market and capture valuable data about our potential customer. Although some events have not been perceived as successful, the results indicate that engagement with Victorian Market events are limited to certain customer groups.

The Valentines "Diamond Meltdown Competition" event generated 1300 entries with an extensive marketing campaign reaching 60K+ people. Additional footfall was minimal, despite all attempts to drive customers to the Market Hall through effective signage and branding of all the Market entrances. This indicated that more customers engaged with us online rather than visiting the Market.

Two months into a three month Facebook video campaign, designed specifically to drive customers to the Victorian Market website, has revealed:

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	September 20:	19	October 2019		
	62K Impression	ns/53K Reached	55K Impression	ns/18K Reached	
Age Group	Female 55%	Male 45%	Female 55%	Male 45%	
18-24	9%	9%	8%	10%	
25-34	14%	12%	14%	13%	
35-44	19%	12%	17%	12%	
45-54	17%	8%	15%	9%	

Whilst this campaign has driven valuable traffic to the information in the website it indicates that the majority of interest comes from both men and women aged 25 to 54.

A survey of young people in the Highland Region has shown little engagement or interest from those under 25. With only around 20 responses; few of them viewing the Market as a destination for them.

This lack of engagement by young people and families is most evident following the two annual BID events (Easter and Christmas) which are designed to encourage families to participate in a treasure hunt. These events drive excellent footfall and showcase city centre businesses. Whilst the events themselves are extremely successful on the day, there is little evidence from the Market businesses to suggest that there are repeat visits from this demographic. The above highlights that families and young people are not visiting the Market. It is expected the redeveloped Market Hall/ Fish Hall will act as draw for families and young people through improved food+ drink offerings and having complimentary retail units showcasing niche products. Coupled with suitable events it is expected the project will transform the appeal of the Market Hall/ Fish Hall to those demographics.

f. Delivering a Transformational Change Project within the Old Town

The Market Hall/ Fish Hall and the wider Victorian Market offer one of the single biggest opportunities to deliver a Transformational Change Project within the Old Town of Inverness. The above sections highlight the benefits that are expected from delivering this project.

If footfall figures using the Market Hall / Fish Hall can be increased then it is anticipated that footfall on surrounding streets, namely Union Street, Church Street, Queensgate and Academy Street will increase, generating spin off benefits for retailers and traders on these streets and within the Old Town. There are currently 10 retail units vacant on these streets offering circa 1,394

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sq.m (15,000 sq.ft) of retail space to let. Whilst to a degree wider economic and market conditions will dictate the number of vacancies and rental levels, it is anticipated that a redeveloped Market Hall/ Fish Hall would contribute to an improvement on these streets due to increased footfall. It is expected this may encourage further Private Sector investment into the old town. Recent council experience at 1-5 Church Street indicates private sector investment gains confidence by following public sector investment. This is important as the Victorian Market links into other ongoing development projects within the city centre including Inverness Station, The town House, The castle development and the Academy Streetscape works all as set out in the city centre development brief in the Introduction section to this report.

3.04 The Risks of a 'Do Nothing' Approach

a. Financial Risk

The Market Hall/ Fish Hall will make a considerable loss in 2019/2020. They are currently a liability for the Inverness Common Good Fund. With no intervention or redevelopment, there is considerable risk the Market Hall/ Fish Hall may continue to lose significant money on an annual basis. To a degree, this could be offset by letting vacant units and reducing running costs, however, this will only be able to go so far. The asset currently does not deliver on providing suitable trading conditions for existing market tenants, it does not deliver in generating significant footfall and it does not deliver anything near its potential to create a covered indoor market hall that will provide a positive visitor/ customer experience encouraging families and young people into the market. There is a considerable risk of the asset continuing to underperform and reduce in attractiveness over the short to medium term, unless intervention is undertaken.

b. Potential Reduction in Footfall and Trading Conditions

The initial footfall data gathered shows that the Church Street entrance is significantly the lowest used entrance and following on from this, the Market Hall /Fish Hall have the lowest levels of footfall within the Victorian Market. There is a risk that by doing nothing, footfall figures within the Market Hall/Fish Hall will continue to reduce or stagnate which has a corresponding impact on traders ability to make profit and continue to occupy units. It also leads to other related issues where traders reduce opening hours to cut costs meaning that quite often potential customers/ visitors/ tourists experience the market with a high percentage of closed shops. It is anticipated that the redevelopment proposals will increase footfall within the Market Hall/ Fish Hall, reversing this trend significantly improving trading conditions for tenants.

c. Declining Asset

Without intervention the Market Hall/ Fish Hall risk continuing to be a significant liability for the Inverness common Good fund. Members have a duty to ensure good governance to manage and improve the asset for the benefit of the citizens of Inverness. The project will help future proof the asset in the medium term.

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d. Lost Opportunity

By doing nothing, Highland Council risk losing a significant opportunity to deliver a transformational project with wider benefits to the Old Town. There are a number of commentators who argue public sector investment particularly in town and city centres is a key driver in stimulating private sector investment. Given vacancy rates within surrounding streets in the old town the project offers an opportunity to deliver targeted investment to benefit the old town. These benefits have been set out in Section 3.03 above.

3.05 Risks to be Managed during Project

a. Relocation of existing tenants

As part of the redevelopment proposals notice will be served on the 19 existing tenants. There is a balance in serving notice to allow existing tenants enough time to prepare and find a relocation versus maintaining rental income to the Inverness common good fund. Within the existing leases all are continuing on a yearly basis and can be terminated by the landlord subject to three months written notice. Having considered this it is our view that existing tenants through the stakeholder group already have full knowledge of the action plan and the redevelopment proposals. It is proposed that subject to committee approval and a formal tender for the project being issued that formal notices will be served on tenants in January 2020 with vacant possession of the Market Hall/ Fish Hall being achieved a minimum of 3 months later. The exact dates of vacant possession will vary depending on the tender and start date.

Tenants will be granted compensation on the basis of 6 months' rent. This can be either free rent if they choose to remain in occupation or a cash equivalent payment if they opt to relocate earlier. Cash payments will reduce pro rata depending on the date tenants can provide vacant possession i.e. if a tenant remains in occupation for 2 months' rent free then relocates, they will be granted the equivalent of 4 months' rent as a compensation payment. In addition assistance will be provided in finding relocation options by:

- Highland council Estates Team
- Business Gateway
- Inverness BID
- Federation of Small Businesses
- A schedule of available retail units within the city centre will be provided to assist existing tenants quickly identify what is available and the costs.

It is acknowledged there are very few small retail units available at comparable total costs within the city centre. As a result some tenants may opt to cease trading, others may decide to relocate out with the city centre.

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On the basis vacant possession is secured by April 2020 it is anticipated the redevelopment works will take 10 months to complete. Formal marketing of units will begin in early 2020. Existing tenants will be welcome to bid to secure a redeveloped unit. It is proposed closing dates for bids will be set by Highland council's estates team. Offers can then be assessed in line with the tenancy framework and pre-lets concluded with tenants. It is hoped a large percentage of the units can be pre-let before practical completion. It is anticipated tenants will be able to take entry into redeveloped units early 2021. Formal marketing of any units remaining available will continue after practical completion. It is anticipated the redeveloped Market Hall/ Fish Hall could be 90% let within 6 months of practical completion.

Councillors should be aware there will be a corresponding reduction in rental income to the Inverness Common Good fund during the compensation and redevelopment works period. It is estimated the combined costs will be equal to 22 months' rent or £204,497.

b. Project Costs and Timescales

The proposed project budget is £1.5m for the full refurbishment of the Market Hall/ Fish Hall. The time line for this project is tight but we anticipate a tender being issued early 2020 with a contract award being issued March 2020, it currently programmed that the work on site will take around 10 months but this will be confirmed once a contractor is in place. The rent lost as previously stated is likely to be in the region of £200,000. The project will be tendered in accordance with the Highland Council procurement standing orders and governance procedures.

c. Re letting risk

The Highland Council estates team with input from Graham + Sibbald are confident the quoting rents set are realistic. A number of existing tenants have indicated they are keen to lease redeveloped units. If a number of pre lets can be concluded this will significantly reduce any letting risk. By starting marketing as soon as possible an anchor bar/ restaurant/ café operator can also be identified and a pre letting concluded. We would anticipate the redeveloped Market Hall/ Fish Hall to operate at between 90 and 100% occupancy although given the size of units a degree of tenant turnover is to be expected. Over time we would hope some tenants may expand and relocate into traditional retail units on nearby streets thus freeing up units for other new tenants or start-up businesses to move in.

4.00 Relevant Case Studies for Similar Public Sector Investments

Like any Common Good Fund, the assets are historic and are held for a range of reasons but rental return was unlikely to be key focus. The ICGF is relatively fortunate in that some of the property assets bring in considerable profit with minimal risk. There are also a number of Civic properties which come with responsibilities and are unlikely to give the same level of commercial return.

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4.01

Highland Council's Estates Team have provided details of two similar relevant case studies of successful common good fund investment in commercial/civic buildings within Inverness city centre and the outcomes achieved. We set out details below:

a. 1-5 Church Street, Inverness

1-5 Church Street is an ICGF asset which previously received a rental income from SSE (ground floor) and the Highland Council (upper floors for a number of years. When both these tenants vacated, the building was extremely tired and had very little sale or letting prospect. The ICGF invested significant sums (£1.8m) into the property to overhaul, improve and modernise the property. It would be fair to assume a Private property owner would have spent significantly less on the property. The property is now fully let and brings in an income of £96,000 per annum. This return on investment is lower than a commercial developer would seek. However, it can be acknowledged the benefits to Church Street and the city centre are significant. These additional, non-monetary benefits whilst important to the ICGF are seldom a driver for the private property owner.

b. Town House, Inverness

The Fund 'owns' the Inverness Townhouse, a significant Category 'A' Listed building dating from 1878/82. Over the years the Highland Council has leased this property and currently pays a rental of £230,000 per annum. The Common Good remains responsible for the exterior. The decision to overhaul the stonework and exterior was not based on a projected rental income nor increased capital value; both of these values will remain broadly the same. The Investment was to enhance the Town Centre and preserve a historic and listed building for future generations. It could be expected that the ICGF as an owner of a listed building would look to maintain and protect the property. It should again be acknowledged that if this property was in private ownership it is unlikely to have had the same level of investment.

4.02

Kevin Murray of Kevin Murray Associates who prepared the original Victorian Market Action plan report (May 2017) has provided two case studies of Similar Market Halls that have been redeveloped in other UK towns/ cities and the outcomes achieved. We set out details below:

a. Altrincham Market, Greater Manchester

- Started April 2014 completed July 2014
- Market Businesses with high standards and loyal customer following were allowed to stay on. Those that didn't were let go.
- Issues prior to redevelopment were a declining market, low quality shops, reducing footfall and visitor spend.
- Outcomes have included winning the Observer best market award.
 The property can be used as a market and as a performance/function venue. The market acted as a catalyst to regenerate the town stimulating increased footfall.

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b. Greenwich Market, London

- · Collaborative partnership approach taken to the redevelopment.
- Most Market Businesses returned to their pitch after completion
- Lots of resistance initially between conservation and regeneration aims. One shared vision agreed and implemented.
- Leases were updated and tenants were temporarily relocated.
- Prior only local Businesses used the market, declining market with surrounding shops vacant and no sense of place.
- Outcome transformed into a tourist destination for the local community and visitors.
- A vibrant mix of retailers was achieved, operating 7 days a week.
 Viewed not only as a market but a community centre.

5.00 Conclusion and Recommendations

This Business Case Report sets out details of the Proposed Redevelopment of the Market Hall/ Fish Hall within the Victorian Market. It confirms progress that has been made on the agreed Action Plan (May 2017). It highlights that the Market Hall/ Fish Hall are currently a failing asset with an anticipated loss of -£58,953 in 2019/2020. It sets out the significant benefits that are anticipated through completing the redevelopment proposals. These include, generating a positive rental return of circa £44,903 per annum on completion of the redevelopment and increasing footfall within the Market Hall/ Fish Hall, future proofing the asset in the medium term and delivering a transformational change project within the Old Town. It goes on to confirm that it is hoped this will deliver significant benefits to the customer/ tourist/ visitor experience, improved trading conditions for tenants, creating an anchor point increasing footfall in the Old Town, delivering economic benefits to surrounding streets with a reduction in vacancy rates and seeing an increased use of the entire Victorian Market in particular, the Market Hall/Fish Hall by families and young people. It cites relevant case studies for similar Public Sector investment both for commercial/ civic buildings within Inverness and similar Market Halls across the UK. It highlights the significant risks of a 'Do Nothing' approach.

In conclusion, this Business Case Report sets out the merits of the Proposed Redevelopment and the considerable benefits the project would deliver.

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We trust this report is sufficient for your present purposes but should you require any further information, please do not hesitate to contact this office.

Yours faithfully

Charlie Lawrence, MRICS, Partner RICS Registered Valuer For and on behalf of Graham + Sibbald charlie,lawrence@g-s.co.uk





Appendix 1.00

Victorian Market Action Plan

PROGRESS ON

THE INVERNESS VICTORIAN MARKET 2017 ACTION PLAN

Nov 2017 to Nov 2019

Jo Murray Victorian Market Manager

PHYSICAL IMPROVEMENTS

Improve Shop-Fronts and fascia signing

50% funding was identified from The Academy Street Townscape Heritage Project and concept designs have been drawn up. These designs unify the shopfronts in way that is sympathetic to the architecture of the Arcade and allow for rebranding in line with a new Market identity.

Lighting

A new lighting system has been designed for both the Academy Street entrance (external) and Market Arcade (internal). The design highlights architectural detail and would improve the overall lighting quality. It would be fully flexible, allowing for seasonal changes and an opportunity to illuminate the Academy Street entrance at night.

Improve external and internal entrances and signing

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

- Stonework Repair
- 2. New Glass Entrance

Phase 1: Academy Street is the entrance to a category B listed building and attracted a 70% improvement grant from the Academy Street Townscape Heritage Project (£30,256.52) for the sensitive repair of the stonework to the entrance, with the remainder being funded by the Inverness Common Good Fund at a total cost of £43,223.60. This full scheme of repair included the replacement of all four Corinthian capitals, carved details, various stone indents, repointing works, repairs and the removal of redundant metal fixings. Works were completed on 4th October 2019.

Phase 2: Designs for a new clear glass entrance, incorporating a new design of entrance door was produced and discussed in detail with the Victorian Market Stakeholder Group and affected Market businesses. The concept was taken to final design stage and fully costed at a total of £424,686. Due to the additional costs of mechanical and electrical works at £174,686 this phase of the project was deferred by the CIAC on 21th February 2019 to tie in with the Shopfront re-design phase at a later date.

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

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

Short term wayfinding signage has been installed at the clock and Church Street entrance to indicate business positions within Market Hall, which has been identified as the least used area of the Market, with the Church Street entrance attracting 10-12% of daily footfall.

CREATE A NEW ACTIVITY SPACE

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

The following are events and organisations that have utilised Unit 15 in 2018/9

- 1. Victorian Market Stakeholder Group meetings and workshops
- Trader Meetings
- 3. Safe base for 25+ Millburn Primary school pupils during their two World of Work days
- 4. Workplace Chaplaincy
- 5. Highlandness Craft Market
- 6. Inverness Science Festival 2018 and 2019
- Artist Adrian Eaton "Becoming Bellany" workshops, meeting space, interactive art, music and final exhibition
- 8. Ness Book Fest 2018 and 2019
- 9. Inverness Science Festival 2018 and 2019
- 10. Loch Ness Knit Fest display of knitted craft
- 11. Zombieness city event base
- 12. Art for Erskine art exhibition
- 13. Sustrans Accessing Inverness public consultation
- 14. Harbour Trust Heritage Trail public consultations May & Nov 2019
- 15. Diamond Meltdown Valentines promotion
- 16. Academy Street Townscape Heritage Project in association with Business Gateway 3 free business workshop sessions (cancelled due to lack of bookings)
- BID Retail Security Group open public event with Retail Action Group, Shopsafe and the City Centre Police Team
- Author, Barbara Henderson Local Primary school workshops, readings and puppet shows to celebrate Queen Victoria's 200th Birthday
- Summer 2019 open exhibition by the Academy Street Townscape Heritage Project and Inverness Museum

Planned events for Unit 15, Market Hall

"Red Rabbit Rises" Co-Op and Pop-Up shop - Nov and Dec 2019 Veco - Vegan One Day Market - Saturday 7th Dec

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

MARKETING AND OPERATIONS

Activities and events

For the use of circulation space or an empty unit, a robust application form has been produced, with chargeable rates attached and details of liability insurance requirements.

Guidance was issued for buskers wishing to play in the Market.

As well as the activities in Unit 15 there have been a variety of events in other parts of the

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

Valentine's Day 2018

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

Valentine's Day 2019

DC Thomson "Diamond Meltdown" event

Easter 2018 & 2019

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

- Zombieness base for the city event
 The making of a music video in the Market by American band "The Dead Daisies"

Christmas 2017, 2018 and 2019

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

Summer 2019

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

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Strategic and tactical marketing

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

1. A new website www.thevictorianmarket.com

This comprehensive site covers the following

- (a) Opening times
- (b) Shops
- (c) Cafes
- (d) Hairdressers & Barbers
- (e) Queensgate
- (f) Development
- (g) History
- (h) Join the Family
- (i) Contact Us

The website is managed by SPP Digital and is designed to be added to or adapted in the future. A downloadable map of the Market is planned to be added shortly. The website has recently been updated and changed to a new provider so that the site can be monitored and data collected.

- 2. Regular press advertising as an NRS customer of SPP
- (a) Weekly generic advert in The Inverness Courier and Highland News
- (b) Two half page adverts per year
- 3. Monthly generic advertising in ICA Magazine with free editorial and events listings
- 4. Victorian Market Inverness Face book page

The increase of over 2000 followers in the last 18 months is as a result of actively managing the page and updating it regularly. The page can reach up to 35K people in any given month.

Now with 4300+ followers, some posts reach 10,000+ people. Reviewed at 4.3/5

To have visibility in all local hotels, B&B's and tourist locations -

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

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ENVIRONMENT AND IDENTITY

Public Art

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

Cleaner environment

All entrances have been tidied up and old foliage props removed. High level fairy lights that had been in situ for several years have been removed. Management has influenced some retailers to remove unnecessary props and signage from their shopfronts and to discontinue using shop front space as a stock storage area.

Market Hall and the Fish Hall have been painted in a lighter colour to make the environment more appealing in the darker months. The space now feels more welcoming with the added benefit of not having to install additional lighting. The removal of the historic dark colouration enables better visibility of product displayed in the shop windows.

Toilets and facilities

The current accessible toilet is used frequently and could be considered a footfall driver to the Market.

"Euan's Guide" (Scottish Charity) offer an online advice service to the disabled to make it easier for them to find great places to go. The Victorian Market received an excellent review in February 2019 on the facilities provided for our disabled customers.

Transport & Parking, Access, Toilet facilities and Market Staff all receiving 5/5 with an overall score of 4/5 for the entire Market,

Create a water feature

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

MARKET MIX

Creative curation of mix of shops

All applications are scrutinised in line with the Tenancy Framework. Consultations are in hand to work with existing businesses on the development of Market Hall in which the balance and tayout is improved for the benefit of the Market and the businesses within. Consideration is being given to the tenant mix in Market Arcade to compliment the Market Hall proposal.

New and developing businesses have been attracted to apply to the Market with the specific knowledge that there is now Market Management in place and that development and consequently improvement could take place.

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More Market traders

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

Start-up units

Through the development of Market Hall the availability of units suitable for a start-up business would be created. The lease terms have been reviewed with the support of the VM Stakeholder Group to enable a start-up business to establish at a relatively low risk, whereby both parties could terminate after 13 months with no penalty. The University of the Highlands have nominated support to any new business within a developed Market Hall, with the aid of a specific Business Support Package through Innovation Vouchers and apprenticeship opportunities.

ACCESS AND SIGNAGE

Better signing

A new corporate identity is being developed as a long term solution for the robust and confident promotion of the Victorian Market. Solutions to enhance all four entrances will be considered following the development of this identity and will be brought to the CIAC at a future date for consideration

Short term internal wayfinding signage has been installed

A new balance of parking

The Accessing Inverness scheme would fluidly link the Victorian Market with Academy Street and the Railway Station. Access to and from the Market would be greatly improved for both pedestrians and disabled groups.

The opportunity to advertise permanently in Rose Street car park is planned for 2020.

Improve crossing and paving surface

The Accessing Inverness scheme proposes to improve the crossings and pavement surfaces around the Victorian Market

Addressing challenge of vehicle access

The nearest car parking facilities are Rose Street and Eastgate Centre

There is already provision by the Highland Council for short term parking in the surrounding streets if the traffic enforcement team are notified in advance. There is adequate 20 minute provision for loading which can allow for customers to pop in to collect goods

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Few bus tours stop within the city centre. Cruise ship passengers are managed from Ardross Street with the assistance of BID. These customers on foot are given a map and directions to the city centre and the Victorian Market. Some tour operator's park ad hoc within the city centre. More tourists/passengers are being directed to the Victorian Market by targeted advertising and recommendations by Tour Guides.

Monitoring of footfall from April 2019 has given a clear insight into pedestrian movement into the Market with three entrances being equally used (on average)

30% Academy Street 30% Union Street 30% Queensgate 10% Church Street

This indicates that customers are making full use of the most visible entrances and the fact that there is restricted parking in Academy Street does not appear to adversely affect footfall traffic. The least used entrance is Church Street.

FURTHER PROGRESS

Efficiencies and communications

The appointment of a Market Manager has had a transformative effect in that the Market businesses now have a regular point of contact on site. Operations are being reviewed regularly and reactions to daily incidents have become more effective.

There are regular Trader meetings to which everyone is invited. Regular newsletters and memos have been distributed. An internal communications board has been established where all meeting minutes and notification of meetings are displayed for reference. It has taken time to build trust with some of the businesses but the majority are supportive of positive change and some are very willing to work with Market Management to make improvements for the benefit of all. The members of the Victorian Market Stakeholder Group have been challenging and have scrutinised every stage of change.

Reduction of risk

As a result of effective staffing and a good relationship with the City Centre Police team, the Victorian Market has a very low crime rate

From 2010 to 2017 City Centre incidents totalled 48,891 with only 81 being in relation to the Market

12 Dishonesties

13 Disorder

2 Assaults

27 Alarm activations False

54 advice calls/stop and search

An increase of Shopsafe radios from one to four has enabled effective communication to the network and has given two businesses added reassurance being positioned directly at the entrances.

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Our staff on-site support all Market businesses and occasionally surrounding businesses as well. This has helped build positive relationships which, is an asset the Market relies on. We have collaborated with neighbouring businesses in emergency situations and when there has been any security risk or disruption.

Data collection and insights

Data is now being accurately accumulated for the following

Vacancy rates
Footfall General
Footfall in relation to City Events/internal events/disruption and seasons
Customer engagement with specific events or promotions
Website traffic
Facebook traffic and following
Incidents of crime

This information will be used going forward to

Build effective marketing campaigns Identify target audiences Develop the corporate identity Help with decision making for the external and internal environment Help establish future staffing requirements

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Appendix 2.00

Market Hall and Fish Hall - Existing Floor Plan

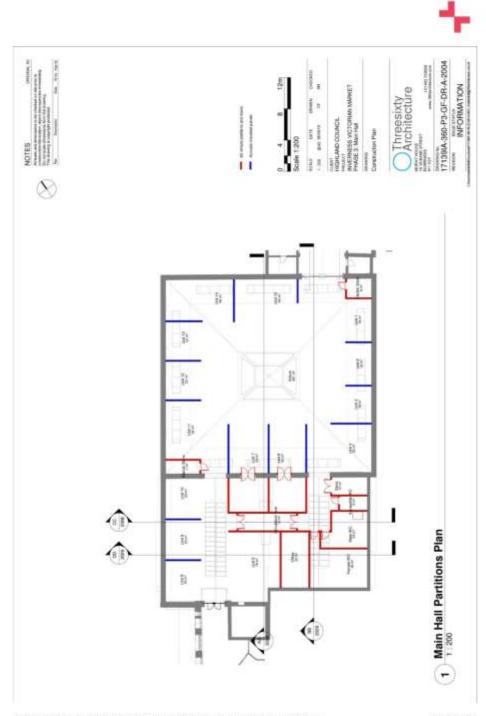


Proposed Redevelopment of Market Hall & Fish Hall, Victorian Market, Inverness Date: 08/11/2019 Our Ref: $CL/LT/2019 \ 09 \ 0137$

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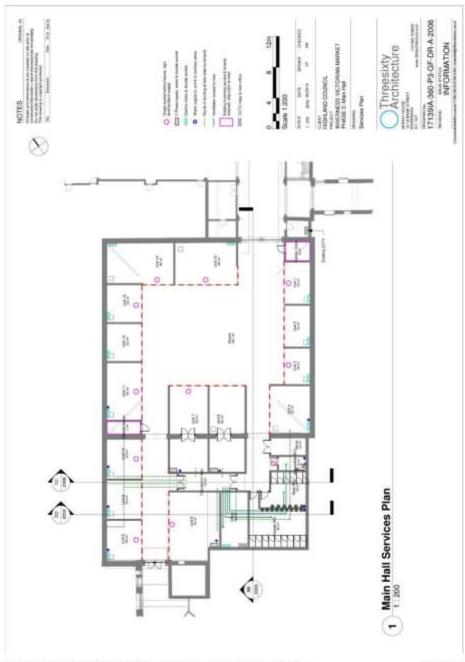




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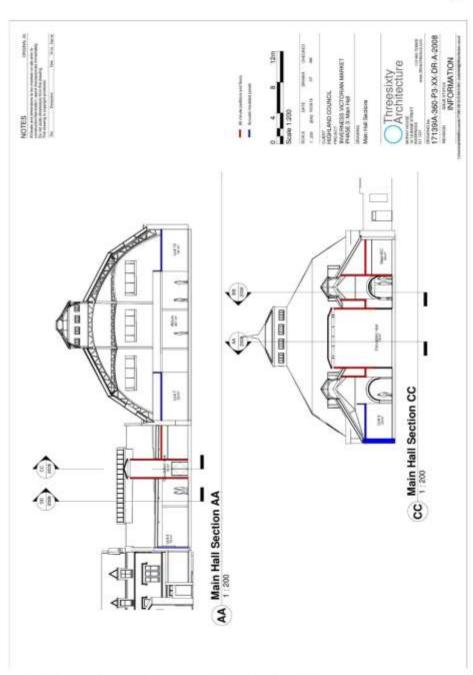


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Date: 04/08/2020







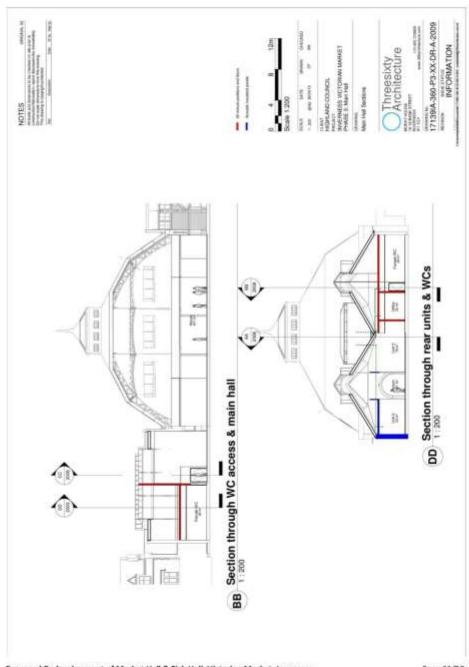
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Coronavirus Review - Proposed Redevelopment of Market Hall & Fish Hall, Victorian Market, Inverness

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Appendix 3.00 Market Hall and Fish Hall - Existing Rental Income and Running Costs

INVERNESS COMMON GOOD VICTORIAN MARKET RUNNIN											
			2015/16	2016/	17 2	017/18	2018/1	9 7	2019/20		
			£	10770747			t				Note
Running Costs			133,2	212 16	3,480	181,609	217	7,323	103,074		- 1
Central Support/Corporate Co	ists -										
< THC Property Management Fees			16.	245	4,788	15,603	16	5,088	7,122		. 7
< Central Support Charges			5,	387	7,102	7,484	7,280	3,640 2,383		3	
< CGF Investment Management Fe		5,001		001	1 3,415	4,256	1		4,767		3
Marketing/Publicity			5,5	808	7,024	15,053	30	0,842	16,981		1
			165,3	353 19	5,809	224,005	276	,300	133,201		
Rental Income			(270,7	58) (24	6,467)	(260,051)	(268	,136)	(118,701)		1
Net (surplus)/deficit			(105,4	105) (5	0,658)	(36,046)		8,164	14,500		
	tal Income is based on	percentage	of full year	1920, ch	arges w	vill go thro	ugh M	arch 2	020.	Se	pt
Analysis of Running costs	is based on	15	201	6		2017			2018	20	19
Analysis of Running costs	is based on 201 Cost	15 %	201 Cost	6 %	Cost	2017		Cost	2018	Cost 20	19 %
Analysis of Running costs Dufflays Labour Costs	zos Cost 57,983	15 % 41.80%	201 Cost 74,324	6 % 43.59%	Cost 101,1	2017 : % 30 51	42%	Cost 123,41	2018 % I 49.73%	20 Cost 61,445	19 % 51.1
Analysis of Running costs Outlays Labour Costs Maintenance	201 Cost 57,983 20,540	15 % 41.80% 14.81%	201 Cost 74,324 26,732	6 % 43.59% 15.68%	Cost 101,1 33,3	2017 1 % 30 51 38 16	42% 95%	Cost 123,41 24,06	2018 % II 49.73% i7 9.70%	Cost 61,445 3,938	19 % 51.18 3.28
3. Half of last year, as this i Analysis of Running costs Outlays Labour Costs Maintenance Contract Payments Security	201 Cost 57,983 20,540 2,873	% 41.80% 14.81% 2.07%	201 Cost 74,324 26,732 9,116	6 % 43.59% 15.68% 5.35%	Cost 101,1 33,3 11,7	2017 1 % 30 51. 38 16. 21 5.	42% 95% 96%	Cost 123,41 24,06 1,57	2018 % 11 49.73% 67 9.70% 11 0.63%	Cost 61,445 3,938 1,801	19 % 51.18 3.28 1.50
Analysis of Running costs Dutlays Labour Costs Maintenance Contract Payments Security	201 Cost 57,983 20,540 2,873 27,233	15 % 41.80% 14.81% 2.07% 19.63%	201 Cost 74,324 26,732 9,116 9,301	6 % 43.59% 15.68% 5.35% 5.46%	Cost 101,1 33,3 11,7 1,3	2017 : % 30 51. 38 16. 21 5. 51 0.	42% 95% 96% 69%	Cost 123,41 24,06 1,57 54	2018 % 11 49.73% 67 9.70% 11 0.63% 60 0.22%	20 Cost 61,445 3,938 1,801 540	% 51.1/ 3.2/ 1.5(0.4)
Analysis of Running costs Dutlays Jabour Costs Maintenance Contract Payments Security Electricity	201 Cost 57,983 20,540 2,873 27,233 10,962	15 % 41.80% 14.81% 2.07% 19.63% 7.90%	201 Cost 74,324 26,732 9,116 9,301 10,142	6 % 43.59% 15.68% 5.35% 5.46% 5.95%	Cost 101,1 33,3 11,7 1,3 18,2	2017 1 % 30 51. 38 16. 21 5. 51 0.	42% 95% 96% 69% 30%	Cost 123,41 24,06 1,57 54 12,37	2018 % 11 49.73% 17 9.70% 11 0.63% 10 0.22% 18 4.99%	20 Cost 61,445 3,938 1,801 540 3,093	19 % 51.1/ 3.2/ 1.5/ 0.4! 2.5/
Analysis of Running costs Dutlays Labour Costs Maintenance Contract Payments Security Electricity Rates	201 Cost 57,983 20,540 2,873 27,233 10,962 2,723	15 % 41.80% 14.81% 2.07% 19.63% 7.90% 1.96%	201 Cost 74,324 26,732 9,116 9,301 10,142 3,695	6 % 43.59% 15.68% 5.35% 5.46% 5.95% 2.17%	Cost 101,1 33,3 11,7 1,3 18,2	2017 1 % 30 51. 38 16. 21 5. 51 0. 89 9. 44 -0.	42% 95% 96% 69% 30%	Cost 123,41 24,06 1,57 54 12,37 4,68	2018 % 11 49.73% 17 9.70% 11 0.63% 10 0.22% 18 4.99% 19 1.89%	20 Cost 61,445 3,938 1,801 540 3,093 9,899	19 51.1/ 3.2/ 1.5/ 0.4/ 2.5/ 8.2/
Analysis of Running costs Outlays Labour Costs Maintenance Contract Payments Security Electricity Rates Water	201 Cost 57,983 20,540 2,873 27,233 10,962	15 % 41.80% 14.81% 2.07% 19.63% 7.90%	201 Cost 74,324 26,732 9,116 9,301 10,142	6 % 43.59% 15.68% 5.35% 5.46% 5.95% 2.17%	Cost 101,1 33,3 11,7 1,3 18,2 - 3	2017 1 % 30 51. 38 16. 21 5. 51 0. 89 9. 44 -0. 52 -8.	42% 95% 96% 69% 30%	Cost 123,41 24,06 1,57 54 12,37	2018 % 11 49.73% 7 9.70% 71 0.63% 10 0.22% 18 4.99% 19 1.89% 2 1.71%	20 Cost 61,445 3,938 1,801 540 3,093 9,899 2,046	19 % 51.18 3.28 1.56 0.45 2.58 8.25 1.76
Analysis of Running costs Outlays Labour Costs Maintenance Contract Payments Security Electricity Rates Water Refuse Collection	201 Cost 57,983 20,540 2,873 27,233 10,962 2,723 1,633 740	15 % 41.80% 14.81% 2.07% 19.63% 7.90% 1.96% 1.18%	201 Cost 74,324 26,732 9,116 9,301 10,142 3,695 14,696	6 % 43.59% 15.68% 5.35% 5.46% 5.95% 2.17% 8.62%	Cost 101,1 33,3 11,7 1,3 18,2 - 3 - 17,5	2017 30 51. 38 16. 21 5. 51 0. 89 9. 44 -0. 52 -8.	42% 95% 96% 69% 30% 17% 92%	Cost 123,41 24,06 1,57 54 12,37 4,68 4,25	2018 % 11 49.73% 17 9.70% 11 0.63% 10 0.22% 10 0.22% 18 4.99% 19 1.89% 12 1.71% 0.00%	20 Cost 61,445 3,938 1,801 540 3,093 9,899 2,046	19 % 51.1/ 3.2/ 1.5/ 0.4/ 2.5/ 8.2/ 1.7/ 0.0/
Analysis of Running costs Dutlays Labour Costs Maintenance Contract Payments Security Refates Water Refuse Collection Cleaning	201 Cost 57,983 20,540 2,873 27,233 10,962 2,723 1,633	15 % 41.80% 14.81% 2.07% 19.63% 7.90% 1.96% 1.18% 0.53%	201 Cost 74,324 26,732 9,116 9,301 10,142 3,695 14,696	6 % 43.59% 15.68% 5.35% 5.46% 5.95% 2.17% 8.62% 0.00%	Cost 101,1 33,3 11,7 1,3 18,2 - 3 - 17,5	2017 30 51 38 16 21 5, 51 0, 89 9, 44 -0, 52 -8, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0	42% 95% 96% 69% 30% 17% 92% 00%	Cost 123,41 24,06 1,57 54 12,37 4,68 4,25	2018 % 11 49.73% 17 9.70% 11 0.63% 10 0.22% 18 4.99% 19 1.89% 1.2 1.71% 0.00% 10 171%	20 Cost 61,445 3,938 1,801 540 3,093 9,899 2,046	19 % 51.11 3.21 1.56 0.43 2.51 8.25 1.76 0.00 9.25
Analysis of Running costs Dutlays Labour Costs Maintenance Contract Payments Security Electricity Rates Water Refuse Collection Cleaning insurance	201 Cost 57,983 20,540 2,873 27,233 10,962 2,723 1,633 740	15 % 41.80% 14.81% 2.07% 19.63% 7.90% 1.96% 1.18% 0.53% 4.52%	201 Cost 74,324 26,732 9,116 9,301 10,142 3,695 14,696	6 43.59% 15.68% 5.35% 5.46% 5.95% 2.17% 8.62% 0.00% 7.69%	Cost 101,1 33,3 11,7 1,3 18,2 - 3 - 17,5	2017 1	42% 95% 96% 69% 30% 17% 92% 00%	Cost 123,41 24,06 1,57 54 12,37 4,68 4,25	2018 % 11 49.73% 17 9.70% 11 0.63% 10 0.22% 18 4.99% 19 1.59% 12 1.71% 0.00% 16 11.71% 17 2.76%	20 Cost 61,445 3,938 1,801 540 3,093 9,899 2,046 	19
Analysis of Running costs Detilays Labour Costs Maintenance Contract Payments Security Electricity lates Water Refuse Collection Cleaning Insurance Marketing	201 Cost 57,983 20,540 2,873 27,233 10,962 2,723 16,33 740 6,273	41.80% 14.81% 2.07% 19.63% 7.90% 1.96% 1.18% 0.53% 4.52% 0.00%	201 74,324 26,732 9,116 9,301 10,142 3,695 14,696 13,116	6 43.59% 15.68% 5.35% 5.46% 5.95% 2.17% 8.62% 0.00% 7.69% 0.00%	Cost 101,1 33,3 11,7 1,3 18,2 3 - 17,5 23,8	2017 1 N 30 51. 38 16. 21 5. 51 0. 89 9. 44 -0. 52 -8. 0. 53 12. 0. 53 7.	42% 95% 96% 69% 30% 17% 92% 00% 13%	Cost 123,41 24,06 1,57 54 12,37 4,68 4,25 29,05 6,84	2018 % 11 49.73% 17 9.70% 11 0.63% 10 0.22% 18 4.99% 19 1.89% 12 1.71% 0.00% 16 11.71% 17 2.76% 12 12.43%	20 Cost 61,445 3,938 1,801 540 3,093 9,899 2,046 11,152 6,330 16,981	19 % 51.1/ 3.2/ 1.5/ 0.4/ 2.5/ 8.2/ 1.7/ 0.0/ 9.2/ 5.2/ 14.1/
Analysis of Running costs Outlays Labour Costs Maintenance Contract Payments Security Electricity Rates Water Refuse Collection Cleening Insurance Marketing Miscellaneous	201 Cost 57,983 20,540 2,873 27,233 10,962 2,723 1,633 740 6,273 5,508	15 % 41.80% 14.81% 2.07% 19.63% 7.90% 1.18% 0.53% 4.52% 0.00% 3.97%	201 74,324 26,732 9,116 9,301 10,142 3,695 14,696 - 13,116 - 7,024	6 % 43.59% 15.68% 5.35% 5.46% 5.95% 2.17% 8.62% 0.00% 7.69% 0.00% 4.12%	Cost 101,1 33,3 11,7 1,3 18,2 3 - 17,5 23,8 15,0 9,8	2017 1 % 30 51, 31 16, 21 5, 51 0, 889 9, 44 -0, 52 -8, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0	42% 95% 96% 69% 30% 17% 92% 00% 13% 00% 65%	Cost 123,41 24,06 1,57 54 12,37 4,68 4,25 - 29,05 6,84 30,84	2018 % 11 49.73% 17 9.70% 11 0.63% 10 0.22% 18 4.99% 18 4.99% 19 1.89% 12 1.71% 0.00% 11.71% 12.76% 12 12.43% 13 4.24%	20 Cost 61,445 3,938 1,801 540 3,093 9,899 2,046 - 11,152 6,330 16,981 2,828	19 % 51.1/ 3.2/ 1.5/ 0.4/ 2.5/ 8.2/ 1.7/ 0.0/ 9.2/ 5.2. 14.1/ 2.3/
Analysis of Running costs Dutlays Labour Costs Maintenance Contract Payments Security Electricity Rates Water Refuse Collection Cleaning Insurance Marketing Miscellaneous Total < THC Property Management F	201 Cost 57,983 20,540 2,873 27,233 740 6,273 5,508 2,252 138,720	41.80% 41.80% 14.81% 2.07% 19.63% 7.90% 1.18% 0.53% 4.52% 0.00% 3.97% 1.62%	201 Cost 74,324 26,732 9,116 9,301 10,142 3,695 14,696 - 7,024 2,357 170,504	6 % 43.59% 15.68% 5.35% 5.46% 5.95% 2.17% 8.62% 0.00% 7.69% 0.00% 4.12% 1.38%	Cost 101,1 33,3 11,7 18,2 - 3 - 17,5 - 23,8 15,0 9,8 196,6	2017 : % 30 51. 38 16. 21 5. 51 0. 889 9. 44 -0. 552 -8. 0. 53 12. 53 7. 22 4. 62 100.	42% 95% 96% 69% 30% 17% 92% 00% 13% 00% 65%	Cost 123,41 24,06 1,57 4,68 4,25 - 29,05 6,84 10,51 248,16	2018 % 11 49.73% 17 9.70% 11 0.63% 10 0.22% 18 4.99% 19 1.89% 12 1.71% 0.00% 16 11.71% 17 2.76% 12 12.43% 13 4.24% 15 100.00%	20 Cost 61,445 3,938 1,801 540 3,093 9,899 2,046 11,152 6,330 16,981 2,828 120,054	19 % 51.1/ 3.2/ 1.5/ 0.4/ 2.5/ 8.2/ 1.7/ 0.0/ 9.2/ 5.2. 14.1/ 2.3/
Analysis of Running costs Dutlays Labour Costs Maintenance Contract Payments Security Electricity Rates Water Refuse Collection Clesning Insurance Marketing Miscellaneous Total < THC Property Management F < Central Support Charges	201 Cost 57,983 20,540 2,873 27,233 10,962 2,723 1,633 740 6,273 5,508 2,252 138,720	41.80% 41.80% 14.81% 2.07% 19.63% 7.90% 1.18% 0.53% 4.52% 0.00% 3.97% 1.62%	201 Cost 74,324 26,732 9,116 9,301 10,142 3,695 14,696 - 13,116 - 7,024 2,357 170,504	6 % 43.59% 15.68% 5.35% 5.46% 5.95% 2.17% 8.62% 0.00% 7.69% 0.00% 4.12% 1.38%	Cost 101,1 33,3 11,7 1,3 18,2 - 3 - 17,5 23,8 15,0 9,8 196,6	2017 30 51, 38 16, 21 5, 51 0, 89 9, 44 -0, 52 -8, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0	42% 95% 96% 69% 30% 17% 92% 00% 13% 00% 65%	Cost 123,41 24,06 1,57 4,68 4,25 - 29,05 6,84 10,51 248,16 16,0 7,2	2018 % 11 49.73% 17 9.70% 11 0.63% 10 0.22% 18 4.99% 19 1.59% 12 1.71% 0.00% 16 11.71% 17 2.76% 12 12.43% 13 4.24% 15 100.00%	20 Cost 61,445 3,938 1,801 540 3,093 9,899 2,046 - 11,152 6,330 16,981 2,828 120,054	19 % 51.1/ 3.2/ 1.5/ 0.4/ 2.5/ 8.2/ 1.7/ 0.0/ 9.2/ 5.2. 14.1/ 2.3/
Analysis of Running costs Outlays Labour Costs Maintenance Contract Payments Security Electricity Rates Water Refuse Collection Cleaning Insurance Marketing Miscellaneous Total < THC Property Management F	201 Cost 57,983 20,540 2,873 27,233 10,962 2,723 1,633 740 6,273 5,508 2,252 138,720	41.80% 41.80% 14.81% 2.07% 19.63% 7.90% 1.18% 0.53% 4.52% 0.00% 3.97% 1.62%	201 Cost 74,324 26,732 9,116 9,301 10,142 3,695 14,696 - 7,024 2,357 170,504	6 % 43.59% 15.68% 5.35% 5.46% 5.95% 2.17% 8.62% 0.00% 7.69% 0.00% 4.12% 1.38%	Cost 101,1 33,3 11,7 1,3 18,2 - 3 - 17,5 23,8 15,0 9,8 196,6	2017 30 51. 38 16. 21 5. 51 0. 89 9. 44 0. 52 -8. 0. 53 12. 0. 53 12. 462 100.	42% 95% 96% 69% 30% 17% 92% 00% 13% 00% 65%	Cost 123,41 24,06 1,57 4,68 4,25 - 29,05 6,84 10,51 248,16	2018 % 1 49.73% 7 9.70% 1 0.63% 0 0.22% 78 4.99% 19 1.89% 12 1.71% 0.00% 11.71% 17 2.76% 12 12.43% 13 4.24% 15 100.00%	20 Cost 61,445 3,938 1,801 540 3,093 9,899 2,046 11,152 6,330 16,981 2,828 120,054	19 % 51.1/ 3.2/ 1.5/ 0.4/ 2.5/ 8.2/ 1.7/ 0.0/ 9.2/ 5.2. 14.1/ 2.3/
Analysis of Running costs Outlays Labour Costs Maintenance Contract Payments Security Electricity Rates Water Refuse Collection Cleaning Insurance Marketing Miscellaneous Total < THC Property Management F < Central Support Charges	201 Cost 57,983 20,540 2,873 27,233 10,962 2,723 1,633 740 6,273 5,508 2,252 138,720	41.80% 41.80% 14.81% 2.07% 19.63% 7.90% 1.18% 0.53% 4.52% 0.00% 3.97% 1.62%	201 Cost 74,324 26,732 9,116 9,301 10,142 3,695 14,696 - 13,116 - 7,024 2,357 170,504	6 % 43.59% 15.68% 5.35% 5.46% 5.95% 2.17% 8.62% 0.00% 7.69% 0.00% 4.12% 1.38%	Cost 101,1 33,3 11,7 1,3 18,2 3 - 17,5 23,8 15,0 9,8 196,6	2017 : % 30 51. 38 16. 21 5. 51 0. 889 9. 44 -0. 52 -8. 0. 53 12. 53 7. 222 4. 62 100. 603 484 256	42% 95% 96% 69% 30% 17% 92% 00% 13% 65% 99%	Cost 123,41 24,06 1,57 54 12,37 4,68 4,25 - 29,05 6,84 10,51 16,0 7,2 4,7	2018 % 11 49.73% 7 9.70% 11 0.63% 10 0.22% 18 4.99% 19 1.89% 12 1.71% 0.00% 16 11.71% 17 2.76% 12 12.43% 13 4.24% 15 100.00% 188 180 167 185	20 Cost 61,445 3,938 1,801 540 3,093 9,899 2,046 11,152 6,330 16,981 2,828 120,054 7,122 3,640 2,383	19 % 51.1/ 3.2/ 1.5/ 0.4/ 2.5/ 8.2' 1.7/ 0.00 9.2/ 5.2 14.1/ 2.3/
Analysis of Running costs Outlays Labour Costs Maintenance Contract Payments Security Electricity Rates Water Refuse Collection Cleaning Insurance Marketing Miscellaneous Total < THC Property Management F < Central Support Charges	201 Cost 57,983 20,540 2,873 27,233 1,633 740 6,273 5,508 2,252 138,720 16,245 5,867 5,001 26,633	41.80% 41.80% 14.81% 2.07% 19.63% 7.90% 1.18% 0.53% 4.52% 0.00% 3.97% 1.62%	201 Cost 74,324 26,732 9,116 9,301 10,142 3,695 14,696 - 7,024 2,357 170,504 14,788 7,102 14,788 7,102 14,15 25,305	6 % 43.59% 15.68% 5.35% 5.46% 5.95% 2.17% 8.62% 0.00% 7.69% 0.00% 4.12% 1.38%	Costs 101,1 33,3 11,7 1,3 18,2 23,8 15,0 15,0 15,7 4,4 27,3	2017 30 51 38 16 21 5.5 51 0.8 89 9.44 -0.5 52 -8.0 53 12 0.5 53 12 0.5 60 100 603 484 256 243 605	42% 95% 96% 669% 17% 92% 00% 13% 65% 99%	Cost 123,41 24,06 1,57 54 112,37 4,68 4,25 5,84 10,51 16,0 7,2 4,7 28,1	2018 % 11 49.73% 17 9.70% 11 0.63% 10 0.22% 18 4.99% 19 1.89% 12 1.71% 0.00% 14 1.71% 17 2.76% 12 12.43% 13 4.24% 15 100.00% 188	200 Cost 61,445 3,938 1,801 540 3,093 9,899 2,046 6,330 16,981 2,828 120,054 7,122 3,640 2,383 13,146	19 % 51.1/ 3.2/ 1.5/ 0.4/ 2.5/ 8.2/ 0.0/ 9.2/ 5.2/

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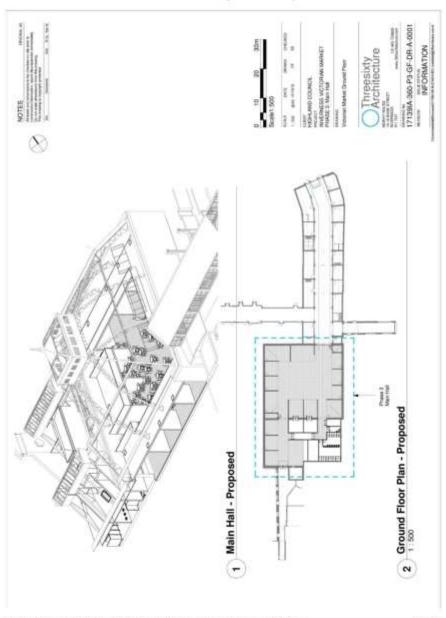
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Appendix 4.00

Market Hall and Fish Hall – Proposed Redeveloped Floor Plan

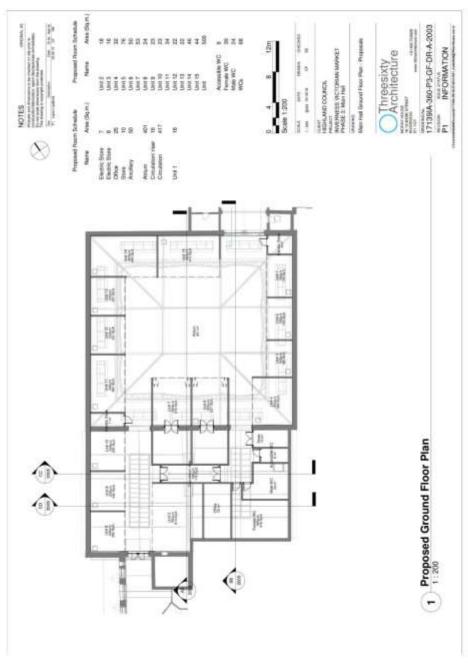


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Date: 04/08/2020



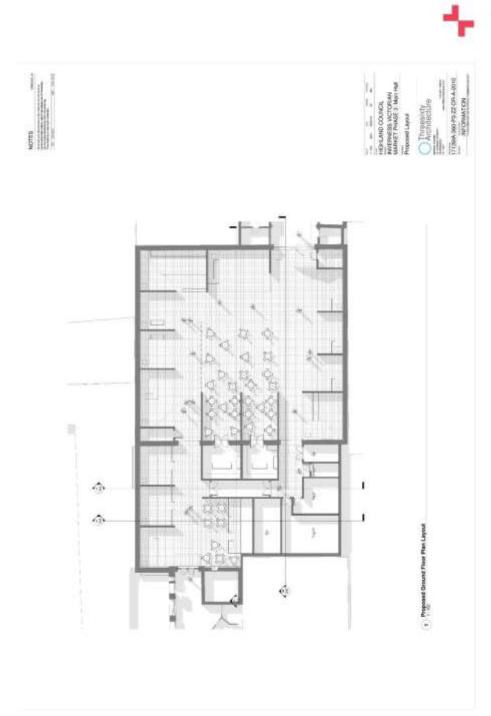




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Appendix 5.00

Market Hall and Fish Hall - Proposed Rental Levels

Portfolio:	General							
Scenario:	Market Value (INV)							
Tenant	Unit	Area (sqft)	Lease Start Period	Lease Expiry	Rate (/sqft)	ERV		
Vacant	Unit 1	193	5y		40.00	7,720		
Vacant	Unit 2	193	5y		40.00	7,720		
Vacant	C NetU	172	by		40.00	6,880		
Vacant	Unit 4	344	5y		40.00	13,760		
Vacant	Unit 5	818	Sy		40.00	32,720		
Vacant	Unit 6	538	5y		40.00	21,520		
Vacant	Unit 7	570	By		40.00	22,800		
Vacant	Unit 8	258	5y 5y		40.00	10,320		
Vacant	Unit 9	247	Sy		40.00	9,880		
Vacant	Unit 10	247	fly		40.00	9,860		
Vacant	13ht 11	365	5y		40.00	14,600		
Vacunt	Unit 12	236	Sy		40.00	9,440		
Vacant	Unit 13	236	5y		40.00	9.440		
Vacant	Minit 14	495	By		40.00	19.800		
Vacant	Unit 15	473	5y		40.00	18.920		

Note

Contains units with initial voids which do not contibute to total rent

Disclaimes

*Office of 269 sq ft excluded

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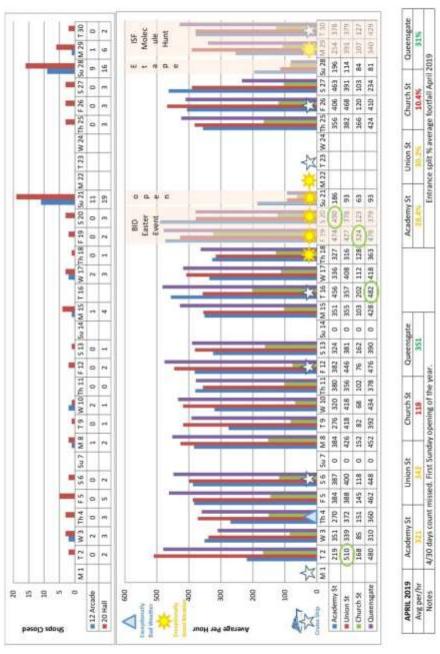


Appendix 6.00

Existing Footfall Figures (April – September 2019)





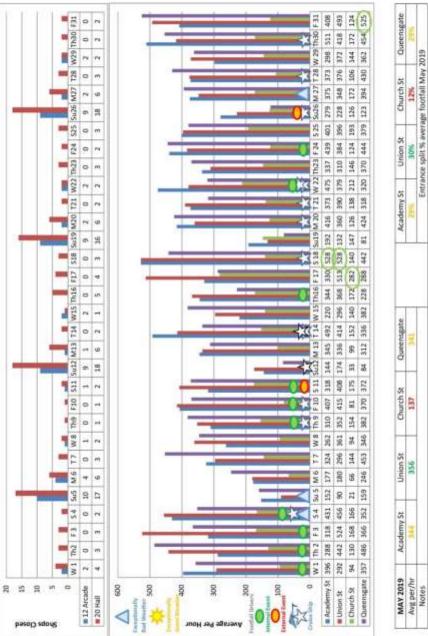


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Date: 04/08/2020



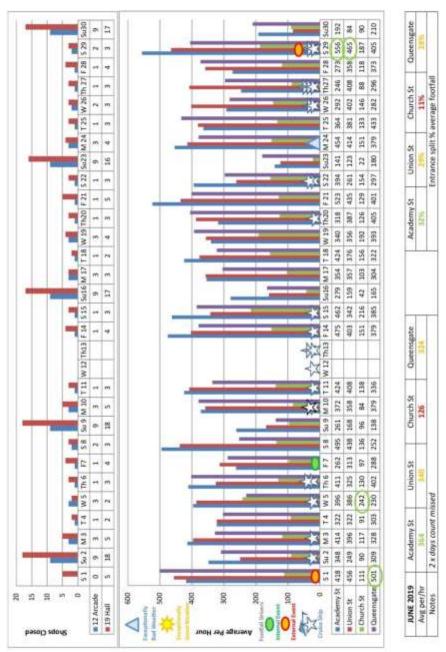




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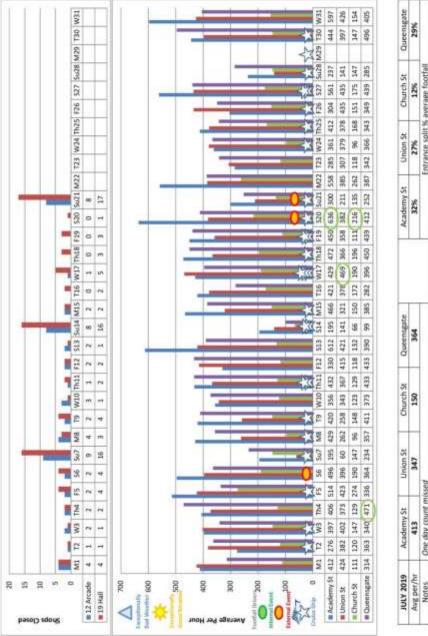
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Entrance split % average footfall One day count JULY 2019 Avg per/hr Notes

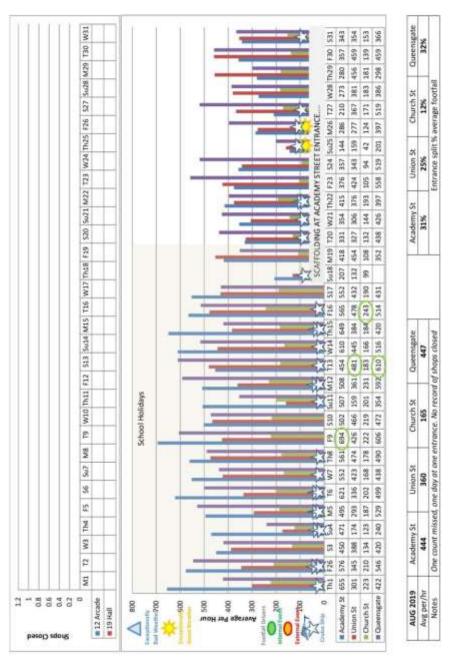
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Proposed Redevelopment of Market Hall & Fish Hall, Victorian Market, Inverness Date: 08/11/2019

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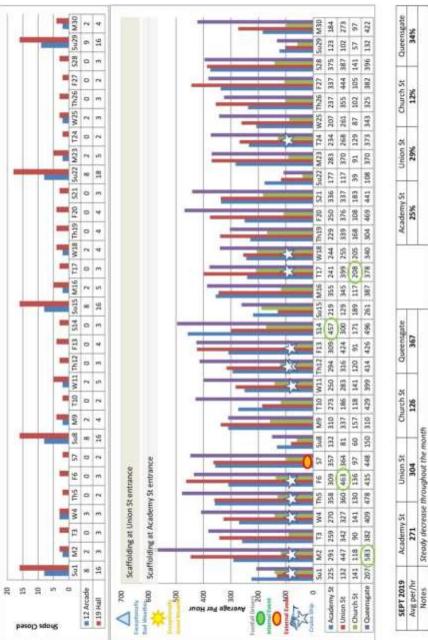


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 $\textbf{Coronavirus Review - Proposed Redevelopment of Market Hall \& Fish Hall, Victorian Market, Inverness \ \texttt{Date: } 04/08/2020$







Steady decrease throughout the month SEPT 2019 Avg per/hr Notes

Proposed Redevelopment of Market Hall & Fish Hall, Victorian Market, Inverness Date: 08/11/2019 Our Ref: CL/LT/2019\09\0137

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Coronavirus Review - Proposed Redevelopment of Market Hall & Fish Hall, Victorian Market, Inverness

Date: 04/08/2020





Appendix 7.00

Proposed Updated Tenancy Framework

Leasing Strategy: Reviewed October 2019

To attract the right tenants to the right locations, to bring overall economic benefits for the Market Businesses, Inverness Common Good Fund, as well as creating a welcoming, positive experience for customers and visitors.

- To increase economic turnover and build inclusive growth in which both the Inverness Common Good Fund and Market Businesses share economic benefits
- To drive an increase in footfall and flow of people to different parts of the Victorian Market
- To create a broad range of stimulating retail experiences and help to trigger more repeat visits
- To draw a wider range of visitors in terms of diversity age/customer demographic partly to build the next generation of market users.
- 5. To create a balance of similar types of offer
- To prohibit office space and/or specialist services which are not overtly shop/customer-facing



Proposed Redevelopment of Market Hall & Fish Hall, Victorian Market, Inverness Date: 08/11/2019 Our Ref: CL/LT/2019\09\0137 Page 49/50

Date: 04/08/2020





Business Criteria

- Would they take market share from an existing retailer, potentially putting both businesses at risk?
- 2. Would it benefit existing retailers by giving critical mass in a certain sector?
- 3. Is it a destination retailer?
- 4. Would the retailer be a good footfall driver?
- 5. Would the retailer or business increase dwell time?
- 6. Is their covenant good?
- 7. Do they have a realistic business plan?
- 8. Are they willing to participate in Victorian Market events and promotions?
- 9. Do they have a robust marketing strategy?
- 10. Do they have clear and set opening hours?

All applying businesses should be referred to the "Highland Council Shopfront Design Guide May 2018"

Application Process

- Initial application to Property Letting team Assessed against above criteria
- 2. Application summary to
 - a. Central Ward Councillors
 - b. Inverness City Area Manager
 - c. Victorian Market Manager

For ratification of application set against above criteria

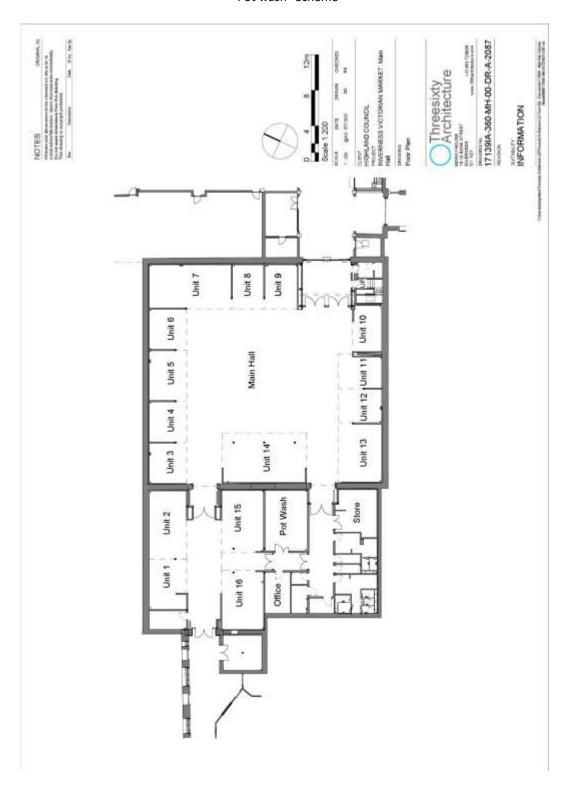
Proposed Redevelopment of Market Hall & Fish Hall, Victorian Market, Inverness Date: 08/11/2019 Page 50/50

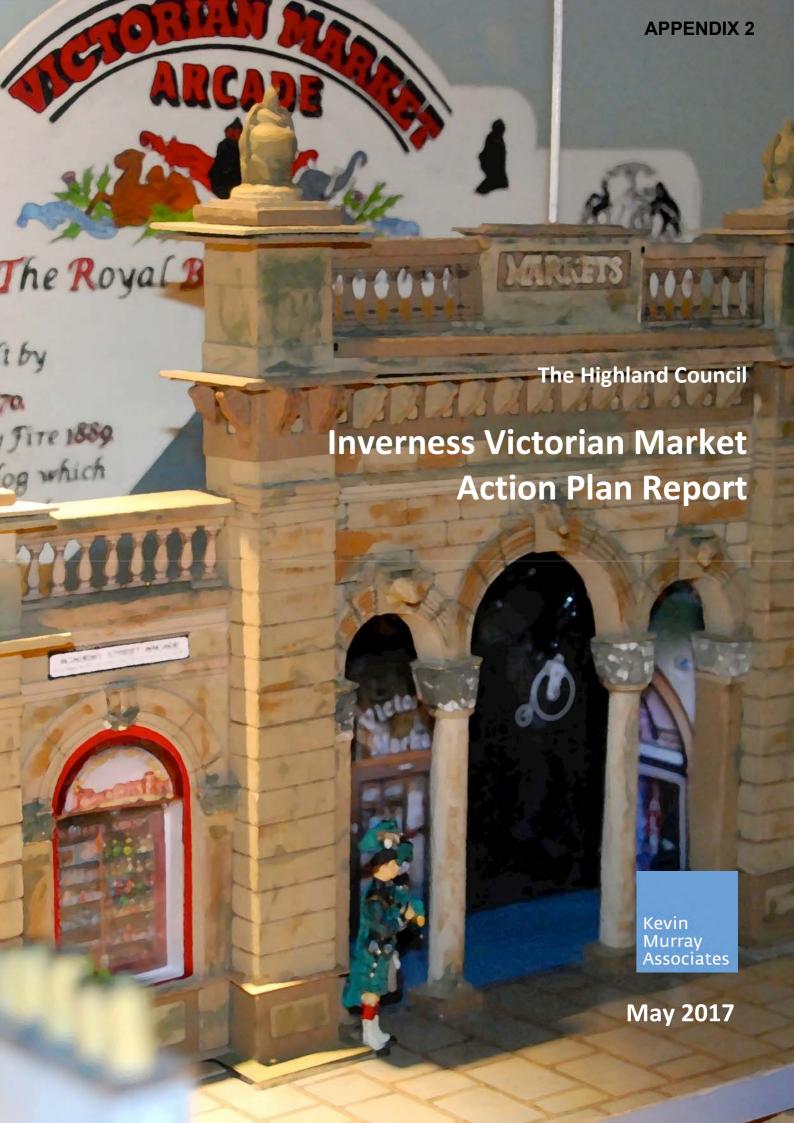
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Appendix 2.00

"Pot wash" Scheme





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1 Introduction and Background

This is the report of a Draft Action Plan for Inverness Market, built up from two workshops held under the aegis of The Highland Council. The workshop sessions were to explore with Stakeholders (on 7 November 2016 at Eden Court) and Traders (on 30 January 2017 at the Mercure Hotel) the next steps in the regeneration of the Victorian Market.

There were 20 participants at the first session, drawn from the city centre stakeholder group, and 25 participants at the second session, nearly all Market Traders.

The Highland Council engaged Kevin Murray Associates to facilitate and record the discussions and report back with a draft action plan. Prior to the workshop, Kevin Murray undertook interviews with traders in the Market on 1 November 2016. The information gathered from the interviews served as the initial prompts for both of the workshop discussions.



Outlets and frontages within Inverness Victorian Market

2 Key Action Plan Headlines

The overall message from the workshops is that:

The Market needs to be guided by a coherent and comprehensive strategy that enables it to reach the aspirations of the wider Inverness community, traders and other local businesses, as:

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

Direct operational management of the Market would be required to enact an Action Plan that would help bring the Market to the above point.

To get the Market to the success threshold, some key moves are proposed, including:

- Developing a consistent approach to the appearance of the market, including entrances and shopfronts;
- Creating flexible space within the market to accommodate different activities and events that would complement and enhance the Market's regular offer this could include adding facilities such as toilets to enable the wider variety of activities and events;
- And have an **active approach to attracting new occupants** of the Market whereby producers and brands that are deemed to be a good fit with the Market's aspirations are pursued.



Inside the main Victorian 'arcade' of the market

3 The Action Plan Workshops

Kevin Murray of Kevin Murray Associates, an independent spatial planning consultancy, with a specialism in community and stakeholder engagement, facilitated both workshops in exactly the same format. The sessions consisted of

- a mix of open discussion of issues
- a presentation to stimulate thinking, including lessons from other markets
- action plan prioritisation workshop, using prompts from earlier discussions
- feedback.

The discussions focussed on current challenges, the future role and function of the market and which parties could/should be responsible for action in the future.

To aid reflection and discussion, a presentation of examples and lessons from elsewhere was given. The purpose of the presentation was to understand what other places and markets were doing to drive their success (these presentation slides are provided in Appendix A). The other markets looked at were: Argyll Arcade, Glasgow; Glasgow Farmers' Market (rotates between two locations); Merchant Square, Glasgow; Cardiff Market; Cardiff Arcades; Borough Market, Southwark; Aberdeen International Market; Bury Market, Lancashire; Grainger Market, Newcastle; Kirkgate City Market, Leeds; and English Market, Cork.

To balance these examples of apparent 'success', an example of unsuccessful market regeneration from the Aberdeen Indoor Market was also given as an example of inappropriate change ultimately driving a market backwards, rather than into beneficial progress.

The overall lessons from elsewhere included:

- Local produce is a key driver for many markets.
- Affordability of merchandise is critical to a regular user base.
- Attractive displays form an important part of the market experience for users.
- Events and festivities are important to draw people and convey a positive atmosphere.
- Well serviced and promoted markets fare better for traders and customers
- Distinctive, authentic experience is important comparative advantage
- Good markets as used by locals and visitors alike.

















Some of the market venues shown and discussed as exemplars were, from top left, left to right:

Row 1: Argyll Arcade, Glasgow; Glasgow Farmers' Market

Row 2: English Market, Cork; Borough Market, Southwark

Row 3: International Market, Aberdeen; Bury Market, Lancashire

Row 4: Grainger Market, Newcastle; Kirkgate City Market, Leeds

4 Plenary discussion summary

The plenary discussions in each workshop were based around the following questions:

- 1. What are the current issues and challenges for the Market?
- 2. What is the potential future role for the Market?
- 3. Who needs to be involved in taking Action?

The full note of the first discussion is in Appendix B: Plenary Discussion. The headline points from the discussion were as follows.

1. What are the current challenges for the Market?

- Visibility and awareness of the Market is a challenge. People do not necessarily know about the Market, nor is it immediately obvious when in the area.
- Access and identity. This challenge relates to the first, the current access
 arrangements do not necessarily promote the internal market, and this also keys
 into an issue over the identity of the Market. There is a question over whether it is a
 Victorian Market, or is an indoor market that happens to be homed in a Victorianera structure. This is reflected in the reviews on Trip Advisor.¹
- Absence of a plan or strategy the Market does not have a plan in place that directs change in the Market, solidifies its identity.
- No active management at the moment direct management extends to a custodian.

2. What is the potential future role for the Market?

- Consider how the space in the Market can be used more flexibly this could include reconfiguration of the Market Hall, adding toilet facilities, using space for exhibitions, performance and farmers' markets.
- Extended opening hours this has been tried in the past, and seems to be an Inverness City Centre issue generally, that extended hours have limited value return. More needs to be known before decisions could be made around this.
- Events and other flexible use of the space must act as a complement to what is on offer in the Market on a day-to-day basis. For the Market to survive there needs to a regular customer base who will use the market outside events. Converting visitors to events into regular customers is a good opportunity.
- The quality and identity of the Market if the level of quality can be increased and the Market given a firm identity there is a lot of potential.

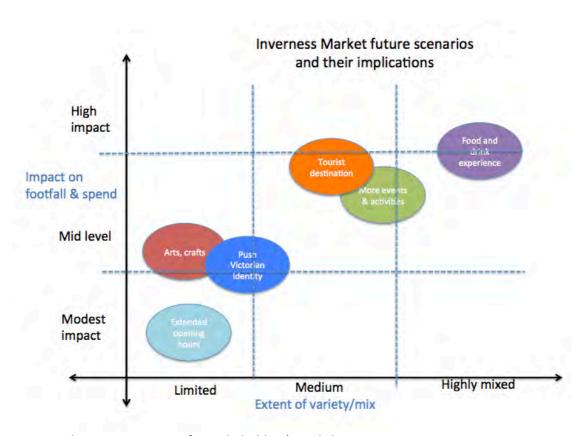
3. Who needs to be involved in taking Action?

- The Highland Council as the local authority with roles in planning, licensing, city centre management, stewardship of the Common Good Fund and the Inverness City Centre Development Brief.
- Business Improvement District the Market is in the BID area, greater understanding of the benefits of the relationship is needed.

¹ Trip Advisor – Inverness Victorian Market: https://www.tripadvisor.co.uk/Attraction_Review-g186543-d7258640-Reviews-Victorian_Market-Inverness_Scottish_Highlands_Scotland.html

- Management role direct management would bring a consistent approach to the Market's operation, and if there is a clear Vision and Strategy in place, implement the strategy with a focus on maximising the asset of the Victorian Market. This role would include marketing vacant units, with a brief to actively pursue tenancies that would add to the quality, character and identity of the Market in line with a Market Vision and Strategy.
- In addition to this, there needs to be collaborative action between actors in the City Centre, to ensure that there is mutual benefit when decisions for change are made. Improvement to the City Centre should benefit the Market and vice versa.

The plenary discussion in Workshop 1 was concluded with a brief exercise, analysing pre-determined future scenarios for the Market. The two axes for the analysis were the impact the scenario would have on footfall and spend, and the impact the scenario would have on the Variety and mix on offer in the Market. The scenarios for this quick analysis were driven by: arts and crafts; Victorian identity; extended opening hours; more events and activities; a positive food and drink experience; and developing the tourist destination role. (This material was presented at Workshop 2, but not developed in quite the same way due to time constraints).



Scenario discussion outcome for Stakeholders' Workshop

5 Workshop Feedback

The groups in both sessions used a card toolkit to help them discuss the future priorities for change. The toolkit had been prepared based on the interviews with the Market traders and research of other places. The toolkit aided the participants in their discussion, but it did not limit them, as there was freedom to generate new ideas.



The workshop output material from Workshop 1

The discussion revealed that there were a few strategic questions that would need some resolution:

How Victorian ought the Market to be? Is it the Victorian Market because that is the era in which the building was constructed, or is it the Victorian Market because there is something about the offer or the experience, or both that is Victorian?

Which issues are unique to the Victorian Market, and which are common across Inverness City Centre?

Opening hours – extended hours only appear to work in isolated cases in Inverness, although are more common elsewhere. Is there a dataset that can help explain this, or a study that needs to be commissioned?

What is the standard for being in the Market? Is it being able to afford the rent, or does there need to be a higher level selection process that focuses on quality and fit with an overall Market strategy?

Raising the bar in terms of quality and identity across the Market – what is going to guide this?



Group discussion at the first workshop.

The following are the key headlines from the Stakeholders group feedback. The tables in Appendix C: Stakeholders' Workshop Tables are a transcript of the prioritisation activity as shown at the top of the previous page.

Stakeholders' Group A

- Get professional management in place to move things forward, relate this to a vision for the Market.
- Determine the quality of the mix that you want to see in the Market include thinking about what you do not want.
- Think about the long-term fit current traders will either fit with the long-term vision or naturally migrate.
- Create flexibility of space.
- Get traders you want to see in the Market now through enticements and deals.
- The physical improvement projects can be clustered and a professional manager can determine the order and priorities.
- Tie in and align with the Inverness City Centre Development Brief for external elements such as improved city centre environment.

Stakeholders' Group B

- Actively sourcing traders that fit with a renewed sense of quality and identity –
 examples given of Anta and Connage Highland Dairy of Highland companies that are
 known for their quality and Scottish identity.
- Improvement of shopfronts requires collective responsibility.

Stakeholders' Group C

- For the traders to be responsive to change in the Market, there needs to be a person responsible for coordinating any change or works.
- Consider some on street "pop and shop" type parking, where people can pay a quick visit to the Market.
- New traders have a strategy for who you want, and offer enticements.
- Get the overall product and offer of the Market right, consideration needs to be given to an overview of the Market.





Group discussion and feedback at the stakeholders' workshop



Traders' session feedback

The following headlines are the top priorities drawn from the Traders' Workshop Groups, also illustrated above.

Traders' Group A

- Cleaner environment including good toilets for public
- Lighting and heating (paint to match)
- Improve external entrances and signing
- Improve crossing and paving surface
- Local history
- A new balance of car parking
- Addressing challenge of vehicle access
- Better signing within
- Sunday opening (as) normal opening hours

Traders' Group B

- Improve crossing and paving surface Academy Street
- More Market Traders (selective mix address leases)
- Addressing the challenge of vehicle access
- Creative curation of mix of shops
- Better signing
- Improve shopfronts and fascia signs
- Improve external entrances and signing
- Public toilets

Traders' Group C

- Parking short (15 mins) and longer (3 hours free)
- Parking restrictions addressed in the immediate surrounding areas (long term bays and drop-off zones)
- Get rid of anti-social behaviour as it makes shopping in Inverness unpleasant and an embarrassing experience
- Knock down centre of back of Market and have 'pop-up' event space eg street food, local produce, food and drink, arts and crafts, activities, events

A combined overview from both sessions indicates:

Lead actions

- Create **flexible space** back of Market Hall, for events, cafe and activities
- Adding toilet facilities
- Improve entrances
- Improve Academy Street crossing
- Flexible parking and servicing
- Lighting and signing
- Curating better mix of shops letting policy to bring footfall
- Shopfront, fascias and colour scheme especially at back
- Exploit Victorian heritage
- Extended opening hours flexible approach
- More events/promotions grow overall market/customer base.
- Strengthen quality and identity of Market
- Clear, agreed plan of action
- Manager for marketing and events

Support action

- Grow City Centre residential
- Strategic and tactical marketing
- Cleaner City Centre environment
- Quality wifi
- Build trust and consensus new levels of energy
- Business Improvement District develop important relationship
- Management reporting function role keep people informed
- Collaborative mentality between different actors in City Centre
- Public art?

Raised in the Traders' session but not in Stakeholders':

- Heating
- Opening times (Sunday)
- Local history / Museum exhibits/ Digital history trail
- Ensure model train is working
- Quality of wifi
- Councillors to visit and promote the Market
- Anti –social behaviour

Raised in the Stakeholders' session but not in Traders':

- New water feature
- Start-up units

Tension over Public Art

• Whether to include was debated in both, with no firm consensus

6 Draft Action Plan

Market oversigh	Market oversight						
Project	Description	Steps to deliver	Responsibility	Phase	Project links		
Victorian Market Vision and Strategy	An agreed Vision and Strategic 5 year plan that guides the future development of the Market, with buy-in from Market Traders and Stakeholders, built on a solid understanding of the current and future/desired customer base.	 Work with stakeholders and traders to agree a Vision and Strategy 	The Highland Council (THC), Traders and Stakeholders	Phase 0	Many action points are predicated on overall guidance being provided by a Market Vision and Strategy.		
Market Projects and Events Management	An accepted and efficient method of actively managing the Market – events and improvements - in a way that brings maximum benefit to the Market and City Centre.	An agreed approach to management of the MarketDevelop management modelAppointment of management	THC, Traders	Phase 1	A Market Vision and Strategy will help steer the way in which the Market is managed, and the implementation of the strategy can only take place with resourced management.		

Physical Improve	Physical Improvements						
Project	Description	Steps to deliver	Responsibility	Phase	Project links		
Improve Shop- fronts and fascia signing	Develop a consistent approach to shops fronts and fascia signing to raise the quality and enhance the sense of identity. Individuality can be retained by creating a palate that can be used to create individual approaches	 Develop Market identity and approach to shop-fronts and fascia. Build ownership with traders Develop funding programme Roll out programme 	Market management, THC, Common Good Fund, Other Funders – Highlands & Islands Enterprise (HIE), Big Lottery, etc.	Phase 3	An outcome of an overall Market Vision and Strategy.		
Lighting	A positive approach to lighting to improve accessibility, safety, create atmosphere (particularly for thematic/festive use) and create potential for evening use.	- Develop a consistent approach to lighting	Market Management THC Common Good Fund Other funders.	Phase 2	An outcome of an overall Market Vision and Strategy. External lighting linked to city centre regeneration projects.		

Project	Description	Steps to deliver	Responsibility	Phase	Project links
Improve external entrances and signing	Improve entrances to enhance visibility and legibility of the Market and create an external understanding of the offer and experience inside. Include consideration of the number of entrances	- Develop a new approach to the external entrances	Market Management, THC – Planning and City Centre Management, Common Good Fund, Other funders.	Phase 2	An outcome of an overall Market Vision and Strategy.
Create new activity space	Remove units in the main Market Hall to create a new open space that can be used flexibly for "outside" seating for cafes, exhibitions, events, markets etc.	Design and costing work. Feasibility of future uses, activities.	New Market Manager	Phase 3	Linked to Shopfronts/Fascia and colour scheme, Events and Activities and Strategic and Tactical Marketing activity.

Marketing and O	Marketing and Operation							
Project	Description	Steps to deliver	Responsibility	Phase	Project links			
Activities and events	Programming of events at the Market	Space for delivering events Booking and management of events	Market Management, Traders, Inverness Business Improvement District (BID), THC	Phase 2 - 4	Activities and events need to be consistent with a Market Vision and Strategy. Space needs to be created or assigned in the Market for activities and events.			
Strategic and tactical marketing	Create more messages and reasons to visit the Market, for different user groups.	- Level of marketing attached to a decision on the moment that the Market is ready to deliver on any campaign	Market Management Traders BID	Phase 2 - 4	An outcome of an overall Market Vision and Strategy.			

Environment an	•	6	D 11 1111		D 1 1 1 1
Project	Description	Steps to deliver	Responsibility	Phase	Project links
Public Art	Visual additions in and around the Victorian Market to provide colour, interest and identity (eg history).	Identify strategic opportunitiesDevelop proposals to attract funding.	Market Management THC	Phase 2 - 4	
Lighting	As per Physical Improvements project.			Phase 2	
Exploit Victorian Heritage and Identity	An approach to the Market that makes more of the Victorian Heritage of the Market – rather than as a covered retail area.	Programme of physical improvements that move the Market in this direction. - Programme of events and activities that move the Market in this direction	Market Management Traders	Phase 2 - 4	An outcome of an overall Market Vision and Strategy.
Cleaner Environment	A regular clean-up approach to the Victorian Market and surrounding area.	 Identify a combination of user-led clean-up and council/service provider sanitation. Develop an approach to bin storage and collection that enhances the amenity of the area. 	Market Management THC Traders BID	Phase 2	Requires a joined up approach with THC on sanitation.
Toilets and facilities	Add toilets and associated (eg babycare) facilities to the Market to enhance the experience for users, and increase the possibilities for Market use (food and drink, longer events etc.)	- Identify space for reconfiguration	Market management Common Good Fund	Phase 3	
Create a water feature	Water can act as a focal point in space – reinstate or replicate Victorian-era fountain that adds to the identity of the place.	- Research previous fountain location, condition and cost of repair.	Market Management Common Good Fund THC Other funders	Phase 4	Connects with creating new space in the Market Hall, and the purpose and proposed use of this space.

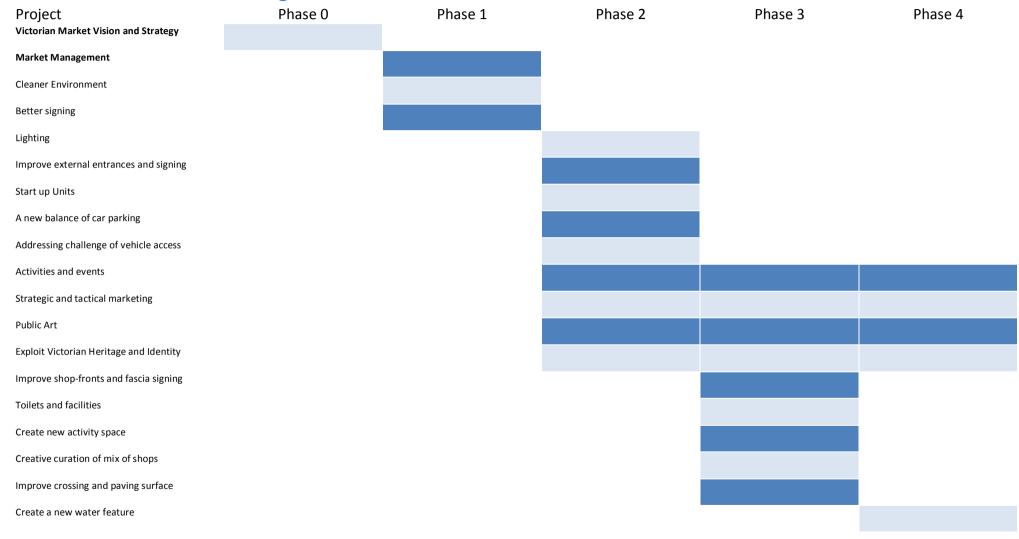
Market Mix					
Project	Description	Steps to deliver	Responsibility	Phase	Project links
Creative curation of mix of shops	Through active management of lets, build a carefully curated balance of shop types and specialisms, to maximise the overall attractiveness and footfall for all.	 Develop a strategy Identify traders that would add value to the Market Create a rolling programme of attracting new Market traders as lets open up. 	Market Management Traders	Phase 3	The curation would be guided by the Market Vision and Strategy.
More Market Traders	Closely connected to the curation of mix – this is about creating the right balance to uses to drive the Market's user base.	 Review manner in which leases operate to help engender better mix and footfall 	Market Management	Phase 1 and ongoing	
Start-up Units	Identify units that could be used for short-term units at lower rents to enable start-up businesses.	 Identify space in the Market Promote through channels to attract start-up businesses (Business Gateway, Inverness College UHI etc.) 	Market Management	Phase 2	

Access and Signa	Access and Signage						
Project	Description	Steps to deliver	Responsibility	Phase	Project links		
Better signing	Increase the visibility of the Market in the City Centre, and navigation of the Market internally.	 Develop consistent way finding approach for external and internal uses. 	THC – City Centre Management Market Management	Phase 2	Connected to Inverness City Centre Development Brief. The specific approach would be an outcome of a Market Vision and Strategy.		
A new balance of car parking	Identify areas where the City Centre parking regime can provide some flexibility to benefit the Market and other City Centre businesses – e.g. use of loading bays on weekends for popand-shop parking. Issues this would seek to	- Work with the current City Centre parking regime.	Market Management THC	Phase 2 - on- going	Connected to Inverness City Centre Development Brief and the overall strategic approach to parking and access.		

	address include:Out of town competitionAccess to shops and services				
	- Disabled provision	6			
Project	Description	Steps to deliver	Responsibility	Phase	Project links
Improve crossing and paving surface	Upgrade crossings and surfaces at Market entrances to enhance access by making it: Visually clearer; Safer; More attractive.	Connect with other planned improvements in the City Centre, to ensure that Market benefits.	THC Sustrans	Phase 3	Connected to Inverness City Centre Development Brief.
Addressing challenge of vehicle access	Need to manage the role of vehicle access to address: - Access for servicing - Short-term parking - Tour coach drop-off - Access by foot, bicycle etc.	Connect with City Centre access strategy.	THC	Phase 2 - on- going	Connected to Inverness City Centre Development Brief.

External/Suppor	External/Supporting Projects						
Project	Description	Steps to deliver	Responsibility	Phase	Project links		
More City	An increased population in the City Centre	Support from the Market for			Connected to the Inverness City Centre		
Centre	would increase the immediate customer base	the City Centre Development			Development Brief.		
Residential	for the Victorian Market.	Plan					
Improve City	Ensure any interventions support and enhance	Support from the Market for			Connected to Inverness City Centre		
Centre quality	wider community and environmental objectives	the City Centre Development			Development Brief.		
of life and	such as health, noise and disturbance, air	Plan					
environment.	quality, environment and streetscape, public						
	spaces, community safety and waste.						
	Improvements to the City Centre or Market						
	should be mutually beneficial.						

7 Draft Action Plan Phasing



8 Implementing the Action Plan

The roles involved

In formulating the actions and activity of the Inverness Market regeneration strategy, as generated from the two workshops, the need to lead and/or undertake a range of key functions has been identified. These functions include:

- Information gathering and dissemination about the Market, and other contextual things in City Centre.
- Generating and implementing an agreed Action Plan
- Costing and leading specific Market improvement projects (eg shopfronts, lighting, etc)
- Devising and promoting events that bring extra footfall (eg Victorian themed events)
- Devising a mix strategy for the Market that informs lettings and events
- Advocacy among traders, and in other groups such as Council, BID, local media etc
- A range of other events, activities, research and promotions, as appropriate (eg quarterly seasonal events, links with media and tour companies)

Without the guaranteed undertaking of these functions, the opportunity to effect positive change for the Market, its traders and customers, and importantly the Common Good Fund for whose benefit it is also run, will simply not be possible.

Employment and reporting

Inverness Market - Projects and Activities Manager

The proposal that has been generated below is a hybrid, developed after further consultation with key players. The function combines an internal facing element, with external facing business, promotional, media and organisational dimensions.

We have considered a **wholly external post** – eg in a consultancy or specialist agency, but this would produce confused/detached loyalties that were not Market-prioritised.

We have also considered an **internal Council Officer appointment**, but again that produces another set of loyalties, and in all probability a lack of the commercial 'market-facing' culture that is required.



The above diagram illustrates some of the key relationships around a Market Manager

So we are recommending a specialist **Market Manager** (full time), which is more focused on marketing, events and transformational projects. The aim is to increase footfall (initially) and then economic spend (over time).

Contract Full time (initially 3 years) – 35 hours per week

Appointment skills Someone with a combination of promotion, events, and

project management experience. Good interpersonal skills.

Retail or business background beneficial

Reporting lines (1) to Market Stakeholder group

(2) to Highland Council (Common Good Fund), via City of Inverness Area Committee and Inverness City Area Manager

Salary To be confirmed

Economic argument

Evidence indicates that all markets go through struggles as the demography, shopping culture and community aspirations change.

There is currently a definite need to bring general footfall levels up, alongside aggregate spend levels. There is also a huge potential for the Market to place a stronger, more distinctive role in the City's wider offer.

By investing in the Post of Market Manager, to work with the traders – it should be possible to raise the number of overall visits and average spend. If the individual were to be effective, their role could grow, based on performance.

The most crucial thing is **finding the right person** to make a difference for all. The Stakeholder Group and Traders Representative could be involved in that selection process.



Visualisation of reorganised market with new events/activities space created in main hall area through removal of some central outlet structures

9 Proposed Next Steps

Following the workshops and the production of this draft Action Plan report, the following next steps are proposed:

- 1. Circulate and discuss this Report among the Stakeholder Group for confirmation and endorsement (DONE)
- 2. Meet with Market Traders to discuss the ideas set out in the Action Plan (DONE)
- 3. Report to the City of Inverness Area Committee
- 4. Assuming endorsement, undertake actions within the Inverness Market Action Plan, as shown below, including appointment of Projects and Activities Manager.

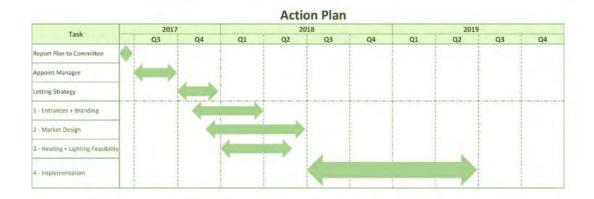




Illustration of new approach and crossing on Academy Street

Kevin Murray Associates May 2017 (version 2.2)

Appendix A: Market Examples

Argyll Arcade, Glasgow





Argyll Arcade, Glasgow

Indoor

Jewellery Quarter More than 30 jewellers and diamond merchants Parisian Style

Located at junction of two important shopping streets (Buchanan Street and Argyle Street)

Proximity to parking and subway station

Appealing entrance – with two guards

Glasgow Farmers' Market





Glasgow Farmers' Market

Outdoor

Affordable, healthy and locally produced products Food: seasonal vegetables, fresh fruit, quality meat, free range eggs, bread, cakes, cheese and fresh street food to be eaten on site

Two locations, every fortnight

Merchant Square, Glasgow



Merchant Square, Glasgow



Cardiff Market





Cardiff Market

Indoor

Victorian structure Variety of products from homeware to fresh food

Two shopping levels, a ground floor and a balcony

Cardiff Arcades





stle Arcade

Morgan Arcade

Cardiff Arcades

Indoor

Different architectural styles (Victorian, Edwardian and Contemporary)

Varieties of small boutique shop, cafes and delicatessen

Some arcades are listed buildings

Borough Market, Southwark





Borough Market, Southwark

Indoor / Outdoor

Historical location, near station Food market Locally produced by the stallholders Variety of cuisines

Annual and monthly events and festivals (Demo Kitchen, game food festival, Christmas market, evening cheese event, etc.)

Aberdeen Indoor Market





Aberdeen Indoor Market



Aberdeen Indoor Market

Indoor

Variety of traders Family run stalls 500 sq. metres of stalls 36000 visitors per week Mixed of retail from food to piercing

Mixed nationalities of retailers (Portuguese, Chinese, Sri Lankan, Afro-Caribbean, Locals...) NHS health point

Aberdeen's International Market





Aberdeen's International Market

Outdoor

70 large stalls
Continental Europe, more than 12 countries participate
Food, flower and craft

Organised by a company Geraud Markets (largest market operators in Europe) 3 times per year (Winter, Spring, Summer) Duration of 3 days (Friday, Saturday and Sunday)

Bury Market, Lancashire





Bury Market, Lancashire

Indoor / Outdoor

Award winning 350 stalls of local and regional products Variety of traders from textile to food Reasonable prices

Good access via public transport Proximity of parking Attached to the shopping centre

Grainger Market, Newcastle





Grainger Market, Newcastle

Indoor

Variety of trades from textile to food Unique "Marks and Spencer Original Penny Bazaar" - world's smallest Marks and Spencer store. Every month an art and craft market takes place

Grade 1 listed building

Kirkgate City Market, Leeds





Kirkgate City Market, Leeds

Indoor (largest in Europe)

800 stalls which attract over 100,000 visitors a week Range from fresh food, fashion to jewellers and haberdashery International and local food (Polish delicatessen and Chinese supermarket)

Event space communal seating can host several events (fashions fairs to food & drink festivals, plays and live music)
Well served by public transport (proximity to Leeds bus station)
Presence of a multi-storey car park

Shop and drop initiative (customers can buy fresh produce early morning and collect items on way home at 6pm)

English Market, Cork





English Market, Cork

Indoor

Won several awards
Meeting place
Variety of products mainly local food produce
Growing emphasis on organic products
Encouraging small-scale producers
Several events (Halloween, Christmas, radio broadcasting, Celebration dinner...)

Five main entrances (Princes Street, Patrick Street, Grand Parade, New Market Lane and Mutton Lane)

Lessons include...

- · Variety of (local) produce
- · Affordable merchandise
- · Attractive displays
- · Events and festivities
- · Well serviced & promoted
- · Distinctive experience
- · Locals and visitors



Appendix B: Plenary Discussion

1. What are the current challenges for the Market?

- poor visibility and a lack of awareness
- Signage of the Market and Area
- Identity of the Market how Victorian is it at the moment, and how Victorian is it meant to be? At the moment it has a confused identity. The Victorian theme may be about evoking the atmosphere and experience of the era rather than attempting to replicate what a Victorian Market would have been.
- Tenant mix at the moment is there is not a policy or plan to keep the right mix of Tenants in the Market, to create the right level of quality and head in the right direction?
- Management active management that deals with marketing empty units (including pursuing potential Tenants who fit with the plan for the Market), deal with the presentation of the Market outwardly, a quality of mix.
- The Market has potential for more unique businesses
- Advertising vacant units use an agent to do this, and even actively pursue desired tenants.
- Develop and implement a 5-year strategic plan. The plan tells you where the Market wants to be and how to get there.
- Know the plan and vision for the Market.
- Inverness City Centre and Market have similar/common challenges therefore there is a need for both to make progress.
- Parking is not an easy situation to deal with what are the needs? Particularly for the Highland catchment. Is there a need for pop and shop parking?
- User demographics are a challenge currently older people primarily use the Market, how can the Market attract the younger generations to begin using it?

2. What is the potential future role for the Market?

- Licensing evenings or seasonal allowance?
- Opening hours is there demand? Particular seasons? The Eastgate Shopping Centre will only do late opening on Thursdays (and the run up to Christmas) because experimenting has shown that there is not anything to gain through extended opening hours. Isolated cases do work, but on the whole it doesn't seem to be something that works in Inverness.
 - o Need to understand why this is the case? Is it the City's catchment? Competition from retail parks? Tourism?
 - o Is a change to hours rather than extension possible? 10-6?
 - o Is it a case of culture?
 - o Transport issues?
 - o What are other comparators in Scotland?
- Use of the space this could be used for special events, shows etc to increase awareness, footfall etc.
- Hospitality opportunities a restaurant as an attraction, drawing custom in for other hours of the day.
- Facilities toilets.

- There need to be reasons to stop so that the Market is not just seen as a short cut.
- Get a better trader mix
- Market hall reconfiguration
 - o Remove central units
 - o Heat, atmosphere, cleanliness
 - o A nucleus within the Market
- Events as a complement events alone don't bring a core, consistent group of users that will be needed to sustain and grow the Market.
 - o There would need to be information on the one-off customers and consider what would bring them back to the Market?
- Create the flexibility to use the space in different ways: Exhibitions; Appropriate busker; performances, encourage the relocation of the Farmers' Market or an alternative to the Market; Food demonstrations experiential events
- Theme periods Christmas, Easter, Spring, Autumn use these seasons to create a special atmosphere in the Market
- Made in Scotland there is a distinctiveness that could be brought to the Market for visitors and locals if the emphasis is on quality Scottish and Highland produced goods.

3. Who needs to be involved in taking Action?

- Council in the management of the Market including the involvement of the Traders.
- A management role deal with bookings, events, etc. There needs to be a consistent approach and a focus on generating footfall and business for the Market.
- BID relationship with the Market the Market is in the District, although all Traders are under the financial contribution threshold.
- Find the City Centre symbiosis identify and demonstrate the wider City Centre benefits of Market regeneration and City Centre regeneration.

Appendix C: Workshop Tables

Stakeholders' Group A

	Don't – these issues to be dealt within wider City Centre regeneration	Could	Should	Must
4+years	Cleaner Environment Improve City Centre quality of life and environment	Public art	More City Centre residential	Close off 1 entrance A new balance of car parking Addressing challenge of vehicle access improve external entrances and signing, improve crossing and paving surface, lighting, better signing, toilet facilities, improve shopfronts and fascia signing
0-3 years			Exploit Victorian Heritage & identity	More Market Traders Creative curating of mix of shops Create new activity space Strategic and tactical marking & Activities and events Management – professional management including liaison. Vision for the Market including a letting policy

Stakeholders' Group B

	Don't	Could	Should	Must
4+years		Improve City Centre quality of life and environment Victorian W/C. Sell 1d for 50p/£1?	More City Centre residential	
0-3 years		More City Centre residential – HC Planning	Lighting	Appointment of manager to deal with marketing/events, letting, supervision of maintenance.
		Creative curation of mix of shops – plus an operations policy. Traders and market management.	Better signing	Improve crossing and paving surface – City Deal
		Activities and events – traders and market management	Strategic and tactical marketing	Create new activity space – Traders and THC
		Cleaner environments.	Exploit Victorian heritage and identity – Traders and THC	Fountain (Forbes)
			More market traders – management	Clear centre Market Hall
			Collection point pick up.	Improve external entrances and signing – HC Planning.
			Improve shop fronts and fascia signing – traders and THC	
			A new balance of car parking Addressing challenge of vehicle access	

Stakeholders' Group C

	Don't	Could		Should	Must
4+years					
0-3			Strategic and tactical marketing –	Addressing the challenge of vehicle access –	Creative curation of mix of shops – ICGF,
years			we need the product so that people	THC	Traders
			are not disappointed. – THC and Traders	Improve crossing and paving surface - THC	
				Better signing - THC	Lighting – THC, ICGF
			Create new activity space – Inverness Common Good Fund	More market traders – THC to promote. More Scottish themed local produce.	Improve City Centre environment and quality of life – THC
			Public art – new memorabilia and photographs - THC	Exploit Victorian Heritage and identity – THC, ICGF, Traders.	Improve shopfronts and fascia signing – Traders
			A balance of car parking – on the street - THC		Improve external entrances and signing – THC and Traders
					More City Centre residential – including students – UHI, THC
					Cleaner environment – Traders and THC
					Activities and events – cross selling events
					with Eastgate Centre – Traders and
					designated event and retailer person, BID
					and ICGF

Traders' Group A

Must Do	Should Do	Could Do	Don't Do
Cleaner Environment (Availability of good toilets for public)	Create new activity space	Improve City Centre quality of life and environment	
Lighting/Heating (Paint back to match front: internally)	Activities and events Improve shopfronts and fascia signing	Strategic and tactical marketing	
Improve external entrances and signing	Exploit Victorian Heritage and identity	More Market Traders More City Centre residential	
Improve crossing and paving surface	Creative curation of mix of shops	Wore City Centre residential	
Local History	Public Art		
A new balance of car parking			
Addressing challenge of vehicle access			
Better signing Sunday opening normal opening hours			

Traders' Group B

Must Do	Should Do	Could Do	Don't Do
Improve crossing and paving surface	Strategic and tactical marketing	Activities and events	Public art
(Academy Street crossing)	Create new activity appear (singuall)	Mara City Contro residential	
More Market Traders (selective mix!!	Create new activity space (circus!!)	More City Centre residential	
Leases??)	A new balance of car parking	Lighting	
Addressing challenge of vehicle access	Cleaner environment		
Creative curation of mix of shops	Exploit Victorian Heritage and identity		
Better signing	Quality of WIFI		
Improve shop fronts and fascia sign			
Improve external entrances and signing			
Public toilets			

Traders' Group C

Must Do	Should Do	Could Do	Don't Do
Parking – 15 min parking	Councillors should visit Market	Get rid of smoked glass on Academy	Public art other priorities before wasting
		Street	money
Parking – free for 3 hours	Committee for "Old Town" area i.e.		
	Church Street/Queensgate/Union Street	Stipulate diversity of Traders	No agency employees / cost to ICGF is
Parking restrictions addressed in the	up to High Museum (pieces in storage)		£100,000 over seven years
immediate surrounding area (i.e. longer		Ensure the train works	
time in waiting bays / drop off zones)			
Get rid of anti-social behaviour.			
Shopping in Inverness is unpleasant.			
Embarrassing.			
Embarrassing.			
Knock down centre of back market and			
have "pop up" event i.e. street food,			
local produce, food + drink, arts + craft,			
activities, events			