

Report of :	The Director of City Development
Report to:	Executive Board
Date: :	2 April 2014
Subject::	Design & Cost Report for the Proposed Improvement and Refurbishment of Kirkgate Market
Capital Scheme Number:	16811

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s):	City & Hunslet	
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:		
Appendix number:		

Summary of main issues

1. The proposed improvement and refurbishment of Kirkgate Market is consistent with the Best Council Plan 2013 – 17 in terms of promoting sustainable and inclusive economic growth by maximising employment opportunities for local residents. Kirkgate Market is in a prime retail location in the heart of the city centre. It is a Grade 1 Listed building and is the oldest and largest retail destination in Leeds, having a significant impact on the economy of the city.

It is essential to improve the Market to make it more attractive to today's customers and traders, securing its growth for the future by investing to address its maintenance and capital investment requirements to meet customer expectations and expand its customer base, by attracting some of the millions of shoppers that will visit the adjacent Victoria Gate development when it opens in 2016. When complete, the improvements to Kirkgate Market, combined with the opening of the adjacent Victoria Gate development will transform the retail offer of the City.

2. This report sets out the progress made and seeks approval to the scheme design and cost proposals developed to the completion of RIBA Stage D (design freeze) for the proposed improvement and refurbishment of Kirkgate Market (the works). The report

advises that the estimated cost of the proposed works is £12.3 million, which is in accordance with the budget requirement advised to Executive Board at its meeting in March 2013 and, seeks approval for Authority to Spend £10.8 million as the balance of funding required to undertake the works. This sum has been injected into the capital programme as part of the February 2014 Capital Programme Report. The estimated project cost reflects the undertaking made by the Council that the Market will remain open and will continue to trade throughout the period of the works, though it should be noted as has been advised to the traders that there will inevitably be varying levels of disruption to all businesses as a result of undertaking a major programme of refurbishment works in a live retail environment.

These proposals will result in a number of stalls being either fully refurbished or newly built with an internal fit out to a shell standard. This report seeks authority to a combination of proposals to assist businesses which have no option but to relocate as a result of the proposed works and which will have very high fit out costs as a consequence of their particular business activity. The proposals are firstly an enhanced level of fit out to a number of identified units with very high fit out costs and, secondly the offer of financial assistance to relocating tenants whose new unit is not covered in the first category. The assistance will be a combination of grant and interest free loan. The estimated cost of these proposals is £330,000.

Financial procedures permit the injection and expenditure of feasibility costs but require that formal authority to spend is requested at the same time as the main scheme expenditure is reported. In respect of the Kirkgate scheme the sum requiring approval is £190,800.

- 3 The report also seeks authority for the Director of City Development in consultation with the Executive Member for Development and the Economy to take decisions as required to facilitate the works to improve and refurbish the Market. Finally, the report outlines progress to date in pursuing the redevelopment of the George Street frontage to provide a 'new front door' and improved links and connectivity with the adjacent Victoria Gate development.

Recommendations

4. Executive Board is requested to:-

- (i) Agree the RIBA Stage D design and cost proposals for the proposed improvement and refurbishment of Kirkgate Market;
- (ii) Give authority to the expenditure of £190,800 in respect of Kirkgate refurbishment feasibility costs.
- (iii) Approve a further injection of £330,000 into the capital programme in respect of stall refurbishment and financial assistance to relocating tenants
- (iv) Give authority to spend £10.8 million on the proposed improvement and refurbishment of Kirkgate Market and £330,000 on the stall refurbishment and financial assistance to relocating tenants;
- (v) Authorise the Director of City Development in consultation with the Executive Member for Development and the Economy to take decisions that facilitate the works to improve and refurbish Kirkgate Market.
- (vi) Note the actions required to implement the decisions, the proposed

timescale to progress the project as detailed in paragraph 3.2.1 of the report and that the Chief Economic Development Officer and the Market Manager will be responsible for the implementation of the decision.

1 Purpose of this report

- 1.1 The purpose of the report is to seek Executive Board's approval of the RIBA Stage D design and cost proposals for the improvement and refurbishment of Kirkgate Market and, to seek approval for Authority to Spend £10.8 million as the balance of the funding required to undertake the works. It also seeks approval to the injection and authority to spend of £330,000 in respect of enhanced stall fit out to a number of identified units and the provision of financial assistance to relocating tenants. The report also seeks authority for the Director of City Development in consultation with the Executive Member for Development and the Economy to take decisions that facilitate the improvement and refurbishment of Kirkgate Market and, provides an update on the progress in appointing a developer to undertake the redevelopment of the George Street frontage.

2 Background information

- 2.1 Kirkgate Market is in a prime retail location in the heart of the city centre. It is a Grade 1 Listed building with five interconnected halls and an open daily market at the rear of the building. The Market is an important landmark in the city, not just in terms of the building but also in its importance to the people of Leeds and its international importance as the birthplace of Marks and Spencer. It is one of the most important heritage buildings in Leeds. It is an important part of the retail offer in the city and, is significant to the Leeds economy. It is the location for 235 permanent businesses in the indoor market, with around 150 more trading on its Open Market. However, the Market faces the same challenges as other traditional markets across the country, with price competition from large retailers, rising customer expectations aligned to changing shopping habits and a changing customer base.
- 2.2 Kirkgate Market also has distinct advantages upon which to build. It has a prime city centre location with a large catchment. It is an iconic historic listed building. It provides an excellent fresh food offer in fruit and vegetables, butchery, fish and game and, a popular and commercially successful daily outdoor market with a loyal customer base. There is now an opportunity to improve the Market. Action needs to be taken to address current problems with the condition of the building and to secure its future commercial success. There is a unique opportunity to increase customer numbers and spending in the Market by attracting some of the estimated 10 million customers per annum that will visit the adjacent Victoria Gate development when it opens in 2016.
- 2.3 In July 2011, Executive Board approved the vision and objectives for the Market and, in February 2012, the Executive Board approved recommendations to undertake a feasibility study to redevelop and refurbish the Market. Norfolk Property Services (NPS) undertook the feasibility study which identified the nature of the improvements and the development proposals that could be progressed to fulfil the Council's vision for the Market.

- 2.4 Executive Board at its meeting in March 2013, considered a report recommending the outline strategy for the proposed refurbishment of the Market and the approach to be pursued for the redevelopment of the George Street frontage. With regard to the proposed improvement and refurbishment works, Executive Board approved.
- (i) Agreement in principle to the proposed improvements to the interior of the Market, in order that the project can be progressed to the completion of RIBA Design Stage D and the submission of a detailed planning application;
 - (ii) Agreement in principle to progress improvements to George Street as a separate project (with approval from Executive Board to be sought subsequently to introduce this (the project) as a separate scheme into the capital programme);
 - (iii) Agreement to continue to hypothecate future years Markets' surplus to fund prudential borrowing, which in turn will fund the capital costs of the refurbishment proposals;
 - (iv) An injection of £1.615m into the Capital Programme and the incurring of expenditure of £1.615m for the first phase of backlog maintenance and upgrade works in the Market, to progress scheme design proposals to the completion of RIBA Stage D for the proposed refurbishment of the Market and (to progress) the developer procurement competition for the George Street frontage.

3 Main issues

3.1 Design Proposals and Full Scheme Description.

- 3.1.1 The NPS Group Leeds was retained by the City Council to provide a multi-disciplinary design service to develop scheme design proposals for the proposed refurbishment and improvement of Kirkgate Market to the completion of RIBA Stage D. Separately, Faithfull and Gould has been appointed, reporting directly to the Council, to act as cost consultant on the project.
- 3.1.2 The design proposals and the proposed phasing of the works reflects the undertaking given by the Council that the market will remain open and trading throughout the works, although it should be noted that the traders have been advised that there will inevitably be varying levels of disruption to all businesses as a result of progressing major refurbishment works in a live retail environment.
- 3.1.3 The design team in developing the scheme proposals to the completion of RIBA Stage D (detailed design proposals) has responded to the commercial requirements of the Council, in that the proposals must reinforce existing business activity in the Market, encourage the growth and development of new businesses, facilitate the expansion of its customer base, as well as protecting and preserving the historic fabric of the Market. The following provides an overview of the key elements developed within the Stage D design. Plans and indicative illustrations of the scheme proposals will be on display at the meeting of the Executive Board:-
- A general programme of essential maintenance and renewal which includes roof repairs, upgrade to sprinkler system including the provision of a new water storage tank, drainage works and repairs to air extraction and ventilation systems to improve and moderate the extremes of temperature experienced in the Market in the summer and winter. In particular, a new ventilation system

incorporating heat recovery will be introduced into the new fresh food area located above the existing fish and game row area.

- Replacement of the roof covering to the 1976 and 1981 Halls. The work will involve stripping off the existing roof covering and overlaying and replacing with modern insulated single ply membrane. By maintaining the old roof covering in place and overlaying it, this will allow the works to be carried out with minimal disruption to the traders and customers below. The work will incorporate the provision of replacement roof lights and the introduction of controlled roof vents to improve the internal environment of the Market. With a design life of 25 years, the works will remove the need for repetitive and costly patch repairs.
- The creation of distinct retail zones to attract shoppers to all areas of the Market. Central to the approach is to combine the existing fish, game and butchery in one location to create a new fresh food area, which together with a new dedicated ventilation system will create a much improved trading environment.
- The introduction of a new covered daily market and the creation of a new flexible events space capable of hosting a variety of events and activities in the 1976 Hall. The key will be to provide a flexible trading space that can respond to seasonal and retail demand. The proposal will incorporate a number of 'fixed' cafes/food to go units with flexible seating provision close by.
- Improving the layout of the Market by improving sightlines for customers and defining a new pedestrian route linking the George Street and New York Street entrances. Existing fire shutters and openings between individual halls will be adapted to create clear sightlines through the Market.
- Improved signage to help customers find their way around the Market.
- Improvements to the appearance and operation of the Outdoor Market and where feasible visually opening up the Outdoor Market to George Street making it more attractive and accessible from the adjacent Victoria Gate development.
- The development of the 'Kirkgate Village Concept', the responsibility for which rests with a private sector developer, incorporates the redeveloped George Street retail units (1930s block) to provide out of normal trading hours access and be linked to the 'old butchers area' to provide a secure, accessible trading area for a variety of food, leisure and specialist retailers.

3.1.4 Members of Executive Board should note that with regards to the proposed works to the Outdoor Market, the scheme proposals have been amended to take on board trader comments not to remove the boundary wall to George Street which currently provides substantial weather protection to the traders. The design team are now developing alternative proposals which incorporate the retention of the wall, but also allow improved visibility of the Outdoor Market from the adjacent Victoria Gate development.

3.1.5 A main factor in making the Market more visible and accessible, particularly from the adjacent Victoria Gate development, will be the treatment of the proposed commercial development on George Street adjoining the 1981 Hall. Whilst

proposals for this area and, in particular, the treatment of the 1980s retail/office block remain under consideration and will only be determined once a preferred developer is selected, it is considered that the construction of a new main entrance to the Market from George Street should now form part of the proposed commercial development. To progress works to the George Street entrance at this time risks significant abortive costs being incurred, whilst the design team have no design context against which to develop a design for the improved entrance. Accordingly, as part of the substantive Markets project, it is proposed to focus expenditure at this time on improving signage and lighting to this entrance area in order to raise its profile in the interim period before the George Street scheme is completed.

3.2 Programme

3.2.1 If Executive Board is minded to support progressing the works, the indicative strategic development programme for the proposed improvement and refurbishment works which remains subject to change and, which assumes vacant possession can be secured in a timely manner for those areas where work is to be undertaken is as follows:

- Executive Board endorse Stage D design and cost proposals April 2014
- Planning and Listed Building Consent Applications Submitted April 2014
- Secure Planning and Listed Building Consents August 2014
- Contract Award December 2014
- Start works on site February 2015
- Complete works on site August 2016

3.2.2 Members of Executive Board should note that in order to maintain the proposed strategic development programme, the design team are in discussion with the Local Planning Authority and English Heritage regarding the submission of Planning and Listed Building applications for the proposed works and, to this end, it is proposed to undertake a pre-application presentation to City Centre Plans Panel on the scheme proposals on 10 April, followed by a public consultation event in the Market on 12 April 2014. In addition, work has also commenced on the procurement of the contractor via the YorBuild Framework, such that the preferred contractor is available to work with the design team during the Stage E design phase of the project.

3.3 Proposed assistance to traders relocating under the Scheme

3.3.1 As a result of the proposed refurbishment and redevelopment of Kirkgate indoor market, some stalls will be completely refurbished and others newly built. These will, in the main, be occupied by existing market tenants who will be relocated using the Council's powers (under Section 25 (of the Landlord and Tenant Act 1954).

3.3.2 Within the current cost plan of £12.3m, an allowance has been made for fit-out to a 'shell and core' standard. At Appendix 1 is a table showing what this could mean for different categories of tenant, which makes clear that, particularly for businesses which require substantial equipment in order to operate their business (refrigeration, extraction e.g.) considerable cost will be incurred to get the new unit ready to trade, and also that all relocating tenants will need some level of fit out to their new

premises in order to begin trading again. Further, the refurbishment of the market provides an opportunity for all relocating businesses to invest in the presentation and appearance of their unit to help create a bright, welcoming environment attractive to shoppers.

- i The Council may wish to provide the means to achieve a higher level of fit-out and to reduce the cost to relocating tenants. This will however require the Council to commit to additional funding for the scheme as there is no scope to do this within the current proposed budget of £12.3m.
- ii In addition, it is also proposed to offer a combination of grant and interest free loan to all relocating tenants to cover the (evidenced) cost of moving to and fitting out their new location. Existing records show that this arrangement has its precedent in the terms of assistance offered to fish traders when they were relocated from the central area to the existing Fish and Game Row in the late 1990s. The percentage of grant to loan could be, as in the Fish and Game Row scheme, 50% grant and 50% loan, or apportioned differently; the grant could, as previously, be repayable if the tenant assigned their business within a specified timeframe.

3.3.3 It is proposed to meet these costs, funded from additional prudential borrowing against the markets surplus annual income. The impact on the markets surplus of this additional prudential borrowing scheme will be minimal, in the region of £22,000 per annum. The benefits to the Council in terms of the ability to control and progress fit out of key areas without delay, and to the tenant in terms of reducing the impact of moving, are however substantial.

3.4 George Street Scheme

3.4.1 Executive Board agreed in March 2013 to progress improvement to the George Street frontage as a separate project to the Market's scheme, through a private sector developer. Since then officers have considered the proposed procurement procedure to be pursued to select a developer to undertake the project. Important issues considered include the potential development costs for the overall scheme, the level of input (influence) that Council will have in specifying the nature of the proposed development, and the potential level of financial support that may be required by the Council to facilitate the redevelopment of George Street. Given these considerations, a fully compliant OJEU procurement process should be undertaken to select a developer for the project.

Initially, Executive Board was advised that the developer procurement would be pursued via an OJEU Restricted procurement procedure. A further review of the proposed procurement approach has, however, concluded that the Competitive Dialogue Procedure should be pursued. This should be preceded with the publication of a Prior Information Notice (PIN) setting out the Council's intentions to proceed with a procurement process and inviting potential developers to express an interest in the development opportunity. At the date of report preparation the PIN has been published and an update will be provided at the meeting of the Executive Board.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 The Executive Member for Development and the Economy, Development Lead Members and the Kirkgate Market Project Board have been consulted and are supportive of the recommendations contained in the report.

4.1.2 Presentations on the proposals have been given to both The Kirkgate Quarter Stakeholder Hub, the Equality Assembly and Corporate Staff Network

4.1.3 During the development of the Stage D design proposals presentations were made to traders in five separate sessions to reflect the geographical area of the market where they are located:

- Butchers, Fish and Game, 1875 traders;
- 1976 Hall;
- 1981 Hall;
- Outdoor Market;
- 1904 Hall.

4.1.4 The engagement sessions with the traders were well attended and dialogue provided feedback to the design team to develop the scheme proposals. A further session open to all traders was held immediately prior to the release of the Executive Board papers to ensure the information was received by the traders prior to the information entering the public domain.

4.1.5 Members of Executive Board should note that the Markets Management have, upon request, had one to one meetings with a range of traders to discuss aspects of the proposals, although it has not been possible to discuss individual circumstances prior to Executive Board approving the scheme proposals.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 An Equality Impact Assessment (EIA) screening document has been completed and is attached at Appendix 2.

4.2.2 The screening document details the engagement undertaken to date with a wide range of stakeholders and organisations with an interest in the future of the Market. However, a full EIA will be undertaken should Executive Board authorise the progression of the scheme proposals.

4.2.3 The main benefits highlighted in the screening document are proposed improvements to floor coverings which will have a positive benefit for customers and users of the market with mobility impairments and users who are visually impaired. The provision of a level, inclusive event space well related to the covered daily market will help foster good community relations by encouraging different communities to come together and participate in events. The report also highlights potential areas of weakness which will be addressed within the full Equality Impact Assessment.

Council Policies and City Priorities

4.3.1 The refurbishment proposals for Kirkgate Market will help deliver the Best Council Plan 2013 – 17 objective 'promoting sustainable and inclusive economic growth'. The proposed works are crucial to supporting the Council's vision for Kirkgate Market which is to be the best market in the UK:-

- Highly successful, profitable and sustainable;
- A Centre of excellence for independent retailers and entrepreneurs;
- A top destination for residents and tourists.

4.3.2 Securing the future of Kirkgate Market is a key element of being the Best City.

4.3.3 Best City... for business - making sure jobs are created and that local people can access these jobs, making sure new developments create skills and opportunities through apprenticeships. Supporting Leeds to be an attractive place to visit and invest in, with cultural attractions for local people and visitors nationally and internationally.

4.3.4 Best City... for communities - encourages community spirit and local activity, but recognises that it will take high-quality public services

4.3 Resources and value for money

4.3.1 The total project cost remains estimated at £12.3m inclusive of fees, inflation, project contingency, promotion, and tenant compensation as previously advised to Executive Board at its meeting in March 2013. Members of the Executive Board should, however, note that at this stage of the scheme design, the cost consultant advises that estimated costs could be in the order of +/- 10% and, whilst allowance for construction inflation (3.8% of construction costs) has been made within the project cost plan through to Quarter 1 2015 when the project is envisaged to start on site, it should be noted that there is potential that tender price inflation may increase beyond current forecasts, or that there may be a delay to the project starting on site early in 2015 with consequential cost implications.

4.3.2 An allowance of 6.2% has been included in the cost plan for project contingency. The allowance will need careful management, particularly, as the Stage D cost plan makes no provision for any major structural works that may only become apparent once works commence on site, or for any works to the existing building façade. It should also be noted, that whilst an allowance has been made for the removal of asbestos in those areas of the Market where work is to be undertaken, such an allowance is based on a sample survey of six stalls considered to be representative of market stalls as a whole.

4.3.3 The Executive Board report in March 2013 referred to the projected impact on the Kirkgate Market revenue surplus of the proposals and noted that 'during the development stage, years 2 to 6, additional market surplus will be required to finance the borrowing and the revenue implications of the development. The summary position is that the cost of borrowing, combined with the impact on income during development, offset by the predicted increase in income post development, is that the Council faces a likely budget issue in years 2-6 of the development when costs exceed the £500k already ring fenced to service borrowing costs. This is cumulatively c. £1.5m over that period. However, an uplift in the economy combined with the completed Victoria Gate development and John Lewis store adjacent to

the Market should ensure that income increases enough to achieve a break even position by year 6'.

4.3.4 The revenue implications of the proposed programme of works, including the enhanced fit out and financial assistance contained in this report have been reviewed. In line with above, there will be a reduced Kirkgate Market revenue surplus during years 2 to 6 and this is now expected to be in the region of £1.7m to £1.8m cumulatively over that period with an estimated reduction in surplus of £0.5m in 2015/16 and £0.4m in 2016/17 when the reduction in the surplus is expected to peak.

4.3.5 Capital Funding and Cash Flow.

Complete the embedded table below:-

	£000's	£000's	£000's	£000's	£000's	£000's	£000's
LAND (1)	0.0						
CONSTRUCTION (3)	1615.0		540.0	1075.0			
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	0.0						
TOTALS	1615.0	0.0	540.0	1075.0	0.0	0.0	0.0
Authority to Spend required for this Approval	TOTAL	TO MARCH 2013	FORECAST				
	£000's	£000's	2013/14	2014/15	2015/16	2016/17	2017 on
			£000's	£000's	£000's	£000's	£000's
LAND (1)	190.8	190.8					
CONSTRUCTION (3)	10532.3			1363.1	6317.6	2583.0	268.6
FURN & EQPT (5)	170.0			96.0	74.0		
DESIGN FEES (6)	131.0			65.5	43.7	21.8	
OTHER COSTS (7)	296.7			150.5	146.2		
TOTALS	11320.8	190.8	0.0	1675.1	6581.5	2604.8	268.6
Total overall Funding (As per latest Capital Programme)	TOTAL	TO MARCH 2013	FORECAST				
	£000's	£000's	2013/14	2014/15	2015/16	2016/17	2017 on
			£000's	£000's	£000's	£000's	£000's
LCC Supported Borrowing	12887.8	190.8	540.0	2750.1	6533.5	2604.8	268.6
Departmental USB	48.0				48.0		
Total Funding	12935.8	190.8	540.0	2750.1	6581.5	2604.8	268.6
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Parent Scheme Number : 16811

Title : Kirkgate Market Strategy Parent

Revenue Effects

See paragraph 4.4.4

4.4 Legal Implications, Access to Information and Call In

4.4.1 The proposed works to the Market will require Notice to be served on tenants of the Market and the occupiers of the George Street shops under Section 25 of the Landlord and Tenant Act 1954, or termination of Contracted Out Leases or

Licences as appropriate, depending on the nature of the existing agreement with individual tenants in order to secure vacant possession of premises required for the refurbishment works. Notices will be served on traders to align with the proposed phasing of the works.

4.5 Risk Management

- 4.5.1 A risk register has been prepared for the project and will continually be reviewed during the lifetime of the project and the key risks will be reviewed at meetings of the Kirkgate Market Project Board.
- 4.5.2 There is a risk that a budget compliant scope of works may not be maintained as the scheme progresses, particularly if tender price inflation increases beyond forecasts. The risk will be mitigated by adhering to the strategic development programme, not introducing changes to the agreed scope of works and pursuing a change control process in accordance with Delivering Successful Change.
- 4.5.3 There is a risk of programme delays should vacant possession of some areas of the Market not be secured in a timely manner. The risk where present will be mitigated by initiating early dialogue with affected tenants to address issues, by seeking to minimise the number of stalls directly affected by the proposed works and, ensuring timely provision of information to enable tenants to make informed decisions about their business.
- 4.5.4 There is a risk that due to the cost of relocation, businesses may find it difficult to meet the cost from within their existing business plan and thus choose not to remain trading in the market. The proposed additional level of fit out assistance, grant and loan will help mitigate this risk.
- 4.5.5 There is a risk that the cost of asbestos removal may be greater than that allowed in the Stage D cost plan. Efforts have been made to mitigate this risk by undertaking a sample intrusive survey of six vacant stalls in the Market considered to be representative of market stalls as a whole. This risk cannot be mitigated in its entirety and will need to be monitored and managed during subsequent phases of the project.
- 4.6.5 There is a potential risk that the new opportunity of a covered daily market may not initially be fully taken up. To mitigate this risk, the Markets Service has remodelled its staffing resource to allow for a post with responsibility for the commercial programming and revenue generation of this area. It will be important to start this work as soon as possible, in order that a full and varied programme is presented at launch and going forward. The financial modelling has taken account of this and also anticipates less than optimum occupancy in the early years on a sliding scale.
- 4.5.6 There is a risk that there will be limited or no developer interest in the George Street redevelopment opportunity or that the level of the financial contribution required from the Council to facilitate the development could be greater than that estimated. In order to mitigate this risk the Council will need to be specific in relation to the design and construction finish required for the ground and first floor commercial space. By undertaking further design work to inform the specification, this would reduce the developer's design and construction risk and, will ensure the scheme integrates with the Market, ensuring the creation of prominent new entrances to improve links with and connectivity to the adjacent Victoria Gate development.

4.5.7 There remains a risk that the retained Council commercial accommodation within the George Street development will not be fully let throughout the lifetime of the development. In order to mitigate the risk, the Council will seek to secure pre-lets for the commercial floorspace and, at the date of report preparation already has a number of existing retail tenants at the Market interested in entering into pre-lets for the proposed retail space in the remodelled 1980's block. It should also be noted that the rental values for the proposed new shop units have been assessed at the level that is considered to be affordable and, therefore, this further minimises the potential risk of voids. Also, the new retail units will be designed so that they provide maximum flexibility both in terms of size as well as affording the opportunity for a number of the units to have a dual frontage both onto George Street and internally into the Market to meet tenant space requirements. The ability of the proposed 'Market Village' area to trade extended hours will further enhance the attractiveness of these units to potential tenants.

5 Recommendations

5.1 Executive Board is requested to:-

- (i) Agree the RIBA Stage D design and cost proposals for the proposed improvement and refurbishment of Kirkgate Market;
- (ii) Give authority to the expenditure of £190,800 in respect of Kirkgate refurbishment feasibility costs.
- (iii) Approve a further injection of £330,000 into the capital programme in respect of stall refurbishment and financial assistance to relocating tenants;
- (iv) Give authority to spend £10.8 million on the proposed improvement and refurbishment of Kirkgate Market and £330,000 on stall refurbishment and financial assistance to relocating tenants;
- (v) Authorise the Director of City Development in consultation with the Executive Member for Development and the Economy to take decisions that facilitate the works to improve and refurbish Kirkgate Market;
- (vi) Note the actions required to implement the decisions, the proposed timescale to progress the project as detailed in paragraph 3.2.1 of the report and that the Chief Economic Development Officer and the Market Manager will be responsible for the implementation of the decision.

6 Background documents¹

6.1 None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.