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Report of : Markets Manager

Report to: Chief Economic Development Officer

Date : 2 September 2014

Subject:: Response to Deputation to the July 2014 meeting of Council by Friends of Leeds Kirkgate Market

Are specific electoral Wards affected? Yes No

If relevant, name(s) of Ward(s): City & Hunslet

Are there implications for equality and diversity and cohesion and integration? Yes No

Is the decision eligible for Call-In? Yes No

Does the report contain confidential or exempt information? Yes No

If relevant, Access to Information Procedure Rule number:

Appendix number:

Summary of main issues

1. The Council is committed to substantial improvements in the retail offer of Leeds city centre. In bringing forward substantial investments in its retail core such as Trinity Leeds shopping centre, Victoria Gate which includes the biggest John Lewis store to be built outside London, and investing in the development of a vibrant independent retail offer through schemes such as Kirkgate Townscape Heritage Initiative, restoration of the First White Cloth Hall, and £12.3m refurbishment of Kirkgate market, the Council will support the city to achieve a step change in its status as a retail destination which will mark it as a centre of national importance.

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 estimated 10 million customers per annum 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.

FOLKM formed around 5 years ago and describe themselves on their website kirkgatemarket.wordpress.com thus:

“Friends of Leeds Kirkgate Market is a new group for everyone – customers, traders, citizens and visitors – who love Kirkgate Market and want it to survive and flourish in its present form and not become yet another bland and soulless shopping centre.”

Their stated aims are:

- To help ensure that Leeds Kirkgate Market survives
- To see the market improve but retain its character and purpose
- To ensure the Market remains affordable and culturally diverse.
- To campaign for fair rents
- To make sure that Market traders and members of the public have a louder voice in how the market is run

FOLKM describe themselves as representative of a broad range of market users, direct and indirect.

Recommendations

1. The Chief Economic Development Officer is requested to note the contents of this report in consultation with the Executive Member for Transport and the Economy.
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1 Purpose of this report

- 1.1 The purpose of the report is to respond to the points made by the Friends of Leeds Kirkgate Market (FOLKM) in their deputation to the July meeting of Council.

2 Background information

- 2.1 Kirkgate Market is in a prime retail location in the heart of Leeds 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, as follows:
- *The vision for Kirkgate market is to be the best market in the UK:*
 - § *Highly successful, profitable and sustainable;*
 - § *A centre for excellence for independent retailers and entrepreneurs;*
 - § *A top destination for residents and tourists.*
 - *There are a number of clear objectives to help realise this Vision:*
 - § *Increase footfall;*
 - § *Increase new customers to the market;*
 - § *Increase frequency and duration of customers' visits;*
 - § *Increase income through new lets and business expansions;*
 - § *Increase the range of and value for money of goods and services;*
 - § *Reduce costs;*
 - § *Reduce number of empty units in the indoor market hall;*
 - § *Reduce tenant turnover.*
- 2.4 In February 2012, 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.
- 2.5 Executive Board at its meeting in March 2013, approved 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.
- 2.6 In April 2014, Executive Board approved a Design and Cost Report giving approval for funding which has allowed the scheme to be progressed to RIBA Stage E and a full detailed planning application and listed building consent to be submitted at the end of July 2014.

2.7 Friends of Kirkgate Market (FOLKM)

2.7.1 FOLKM formed around 5 years ago and describe themselves on their website kirkgatemarket.wordpress.com thus:

“Friends of Leeds Kirkgate Market is a new group for everyone – customers, traders, citizens and visitors – who love Kirkgate Market and want it to survive and flourish in its present form and not become yet another bland and soulless shopping centre.”

2.7.2 Their stated aims are:

- To help ensure that Leeds Kirkgate Market survives
- To see the market improve but retain its character and purpose
- To ensure the Market remains affordable and culturally diverse.
- To campaign for fair rents
- To make sure that Market traders and members of the public have a louder voice in how the market is run

2.7.3 FOLKM describe themselves as representative of a broad range of market users, direct and indirect. They are often in dialogue with local and regional media on issues relating to Kirkgate Market and have met on several occasions with the Executive Member for Transport and the Economy, his deputy, and officers from the Markets service. They were also invited to give evidence to the Council’s scrutiny enquiry into Kirkgate market during 2012 and 2013.

2.7.4 The group campaigned in the early days for the Council to invest in Kirkgate market, and more recently have been concerned that the Council’s proposed investment of £12.3m will damage the character of the market and make it less accessible to poorer members of society.

3 Main Issues

3.1 **The main points from the deputation to Council are as follows:**

3.1.1 *The Council needs to recognise, protect and enhance the role of Kirkgate Market in providing access to low cost, good quality fresh food for people on low incomes;*

3.1.2 *The Council needs to support traders, including through a rent reduction, in recognition of difficult trading conditions;*

3.1.3 *The Council needs to maintain the market ensuring that there is modernisation and necessary repairs are carried out;*

3.1.4 *More needs to be done to address the impact of the closure of the Union Street car park;*

3.1.5 *The market management arrangements need to be effective.*

The above points are addressed in order, below.

3.2 ***The Council needs to recognise, protect and enhance the role of Kirkgate Market in providing access to low cost, good quality fresh food for people on low incomes.***

3.2.1 The Council remains committed to addressing inequalities in health and wellbeing and agrees that access to affordable fresh food is a key part of achieving this. Whilst Kirkgate market is not the only option for this, the Council's vision and objectives for Kirkgate market, approved by Executive Board on 27 July 2011, show that access to a wide range of quality affordable goods and services is a key objective:

The vision for the market is to be the best market in the UK:

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

There are a number of clear objectives to help realise this Vision:

- *Increase footfall;*
- *Increase new customers to the market;*
- *Increase frequency and duration of customers' visits;*
- *Increase income through new lets and business expansions;*
- *Increase the range of and value for money of goods and services;*
- *Reduce costs;*
- *Reduce number of empty units in the indoor market hall;*
- *Reduce tenant turnover.*

3.2.2 In a recent meeting with representatives of FOLKM the Markets service accepted that a commitment to maintaining affordability and choice for those on the lowest incomes, whilst implicit in the above vision statement, could be more explicit and an offer to work with FOLKM on a revision which would make this more obvious was made.

3.2.3 Kirkgate Market is a place for all, and its diversity reflects the diversity of the city of Leeds in terms of its residents and its visitors who are also a very important part of the Leeds economy. It is important to recognise that Kirkgate Market is a retail centre, and its traders are there to run a business. Therefore, it is vital that the market provides a wide range of quality goods and services to attract the broadest spectrum of shoppers. In this way, the market will remain viable and therefore those with least choice will be able to benefit from affordable shopping there for many years to come. Recognising this, the Council is investing significantly in updating the market and providing a shopping experience which is in line with what today's customers who do have more choice about where to spend their money want and expect. We recognise that the unique selling point of the market is experience of shopping there, including the interaction between customers and traders, and it is this that gives the market an edge over less personal shopping experiences, for example online or in supermarkets which may offer more convenience.

3.3 *The Council needs to support traders, including through a rent reduction, in recognition of difficult trading conditions.*

3.3.1 The development of Victoria Gate shopping centre will bring about a significant step change in this area of the city which has suffered as a result of recessionary factors that have delayed development coming forward. Once completed, this development along with other initiatives such as the investment in Kirkgate Market, the restoration of the First White Cloth Hall and Kirkgate Townscape Heritage Initiative will see a transformation in shopper behaviour in this area, from which we firmly believe that Kirkgate Market and its traders will benefit. In terms of the Kirkgate scheme, the Council has pledged to ensure that the market will continue to trade throughout, and every effort will be made to minimise disruption to traders and customers; however it would be impossible to undertake a scheme of this size without significant building works.

3.3.2 The Council acknowledges that the short term impact of the closure of the car park has reduced footfall at the market, making trading more challenging for some. It is also recognised that from the beginning of 2015, Kirkgate market will inevitably face some disruption as the refurbishment works take place, with the bulk of the construction works taking place between February and October 2015. Taking both these impacts into account, the Council will consider, at the September meeting of its Executive Board, a proposal to offer a 20% rent reduction to all indoor market traders for 12 months. In addition, the Council has already set aside funds to discount the 2-hours parking rate at NCP The Markets for shoppers who spend £5 or more at Kirkgate market, bringing this rate down to the same as they would have paid in the George Street car park prior to its closure.

3.4 *The Council needs to maintain the market ensuring that there is modernisation and necessary repairs are carried out.*

3.4.1 The estimated project cost of the Kirkgate Market refurbishment scheme, which will take place between January 2015 and Autumn 2016 is £12.3m, which reflects the commitment of the Council to a viable future for the Market. A further scheme to develop the George Street frontage of the market is currently out to tender and this scheme is anticipated to begin in 2016 and finish in 2017.

3.4.2 The Council has given an undertaking that the Market will remain open and will continue to trade throughout the period of the works, though it should be noted and it 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.

3.4.3 It is anticipated that by improving Kirkgate market and making it an attractive, brighter, more practical trading environment it will attract an even wider variety of traders thus increasing the quality, affordability and range of its offer in line with the Council's stated objectives.

3.4.4 We are confident that the proposal for refurbishment and redevelopment will preserve and enhance what is unique about the market for many generations to come.

3.5 *More needs to be done to address the impact of the closure of the Union Street car park.*

3.5.1 Bringing forward the Victoria Gate development, which required the closure of the car park, has been a key Council objective over a number of years involving a wide

range of stakeholders. The Council has endeavoured to mitigate the impact on traders as far as possible with extensive marketing campaigns, a comprehensive programme of events and promotions, and information to traders to pass on to their customers, as well as financial assistance including a proposal for a 20% rent reduction and continuation of the NCP discount parking scheme.

3.5.2 Prior to the closure, the Council undertook an extensive awareness raising campaign to alert users of the car park, including notices on ticket machines and on pillars in the car park, online and via social media. Once the car park closed, the Council worked with the developer, Hammerson plc to promote alternative car park locations via panels on their hoardings, erected diversion signs on the Highway and utilised digital displays on arterial routes to notify incoming shoppers of the change to parking arrangements. Within a short time, 20 minute loading bays had been introduced along George Street backed by a promotional campaign to raise awareness of this and the 1800 car parking spaces within a 5 minute walk of the market (7000 within 15 minutes). Within a few weeks, the Council had negotiated with NCP to offer discounted parking to market shoppers (see 3.2.11 above), and this is heavily promoted at this and two other NCP car parks in the city via posters and ticket advertising. The Markets Service has produced thousands of mini flyers advertising the discount, which have been distributed free of charge to all traders to give to customers as well as being promoted with street teams on Briggate and other key pedestrian areas.

3.5.3 From 1 September 2014 a further 330 shopper car parking spaces have been introduced in the vicinity of the market, on Edward Street. This will also help offset the impact of the loss of the Union Street car park.

3.5.4 It is worth remembering that Kirkgate market is located next to Leeds City bus station. Where the poorest and also perhaps the most elderly of its customers may not have access to a car, this is a vital means of accessing the market and bus routes from inner city postcode areas to the bus station are well used by market shoppers.

3.5.5 The closure of the Union Street car park, which had been anticipated for many years as the site was earmarked for development, has resulted in a reduction of disabled car parking spaces on George Street but spaces are still available just next to its main Ludgate Hill doors, and close by on Vicar Lane and on New York Street. We have also introduced a 20-minute loading facility on George Street to enable less mobile customers to park next to the market to collect goods by car, or to be picked up/dropped off. Further disabled parking is available at NCP The Markets.

3.6 ***The market management arrangements need to be effective.***

3.6.1 At its December 2013 meeting, the Council's Executive Board approved the establishment of a Kirkgate Market Management Board, to comprise elected members, trader representatives of the indoor and open markets, and independent advisers. Trader elections have recently been held, and representatives for both markets have been elected. Advertisements have been placed in regional media to recruit up to 3 independent advisers who will be appointed for their skills and experience relating to the work of the Board. The Board, which is chaired by the Deputy Executive Member for Transport and the Economy, will be formed and will hold its inaugural meeting in Autumn 2014 to agree its work programme.

3.6.2 Representatives of Markets management make themselves available to meet with traders and do so every day on a wide range of topics. They endeavour to see

traders as quickly as possible when they get in touch. Unfortunately traders often feel that they need to see the Markets manager rather than another senior member of staff which can lead to a longer delay due to capacity. However, regular communications are produced and distributed to all traders as well as posted to their home or registered address, to try to ensure that everyone has equal access to up to date information, and the Markets service has its own dedicated website www.leedsmarkets.co.uk where the latest information can be found. The email addresses of the Markets manager and other staff at Kirkgate market are printed on every newsletter and communication which provides another form of access, and the Information Centre is open from 9am to 5pm Mon-Sat to arrange appointments for traders.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 Representatives of FOLKM have met on several occasions over the period 2011 - 2014 with markets management, and on several occasions with the Executive Member for Transport and the Economy, and his deputy who is also the Markets Champion. They were also invited by the Chair to give evidence to the Council's scrutiny enquiry into Kirkgate market during 2012 and 2013.

4.1.2 During the development of the Kirkgate Market scheme proposals, FOLKM were offered and attended special consultation sessions. This is reported in the Statement of Community Involvement. Officers and the design team were on hand to answer questions and explain the proposals. FOLKM remain on the list of consultees as the scheme develops, in the context of 'special interest group'.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 Accompanying the recent Kirkgate Market planning submission of 30 July 2014 is a statement of Community Involvement and also a full Equalities Impact Assessment. Both documents can be found on the Council's planning portal here:

https://webmail.leeds.gov.uk/owa/redir.aspx?C=ivVDbH_64U-AVSuhQeUIT6a75t-NhtEIS22O3yIUj2M9I0jDvi9O3XGqBnVuSHzVmNz5txPdfCY.&URL=http%3a%2f%2fplandocs.leeds.gov.uk%2fWAM%2fshowCaseFile.do%3fappName%3dplanning%26appNumber%3d14%2f04516%2fLA

These clearly show that the Council has taken great care to consult with a broad range of stakeholders and to reflect the findings of this research in the design of the redevelopment. Kirkgate Market has always had excellent accessibility and indeed will include, as part of the new scheme, a Changing Places toilet, a mobility friendly layout, and better signage and wayfinding to improve accessibility further.

4.2.2 Benefits highlighted in the document include 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.

4.2.3 Support for a 12 month reduction in rent will ensure that Kirkgate market continues to address inequalities with support for small independent businesses and their employees, retaining spend within the city and offering a range of products and services at affordable prices and addresses one of the 5 aims set out by FOLKM.

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 There are no resource implications of this report.

4.4 Legal Implications, Access to Information and Call In

Not eligible for call in.

4.5 Risk Management

4.5.1 There is a risk that should the Council not respond adequately to the publicly made claims of FOLKM, these may be taken as factual. It is important therefore to respond in a timely and evidenced manner to ensure a balanced view of the proposals for Kirkgate Market.

5 Recommendations

5.1 The Chief Economic Development Officer is requested to note the contents of this report in consultation with the Executive Member for Transport and the Economy.

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.