



Report of the Director City Development

Executive Board

Date: 9th December 2009

Subject: Business Support Scheme for the Council's small business tenants and investment in Kirkgate Markets

Electoral Wards Affected:

All

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In

(Details contained in the report)

EXECUTIVE SUMMARY

1. In the current recession a number of the Council's small independent business tenants – in the markets, estate shops and small industrial units – are facing hardship. Some simply need good independent business advice and business planning, others may require rental support, loans or grants so that they can survive the recession and continue to contribute not only to the Leeds economy but to many of the Council's social objectives. There are a number of national initiatives to help SMEs however officers believe tailored support for our tenants is now necessary to help mitigate the impact of the recession and to place the city in the best possible position to take advantage of any economic revival. Officers propose developing a flexible approach to offer a package of assistance to our tenants.
2. It is recommended that a figure of £250k revenue is set aside to provide advice, help with rents, loans and grants and that officers working in partnership with Business Link finalise the details of the Business Support Scheme. Given the need for urgent action it is proposed that decisions on the details of the scheme are delegated to the Director City Development in consultation with the Executive Member Development.
3. It is further proposed that additional capital investment is made in Kirkgate indoor market to better enable the market to compete.

1.0 Purpose Of This Report

1.1 This report proposes:

- i. the establishment of a Business Support Scheme at a cost of £250,000 spread over two financial years to support the Council's commercial tenants in the markets, estate shops, miscellaneous small shops and small industrial units.
- ii. that at the February review of the Capital Programme, to seek an injection to the Programme of £125,000 in 2010/11 and £125,000 in 2011/12, to improve facilities at Kirkgate Market.

2.0 Background Information

- 2.1 In the current recession a number of the Council's small independent business tenants – in the markets, estate shops and small industrial units – are facing hardship. The Indoor Market tenants have, at recent meetings explained the hardships they are facing in the current economic climate; in addition to considering the needs of these tenants, however, the Council needs to consider how it can best support all its small independent business tenants.
- 2.2 Some tenants simply need good independent business advice and business planning, while others will require rental support, loans or grants so that they can survive the recession and continue to contribute not only to the Leeds economy but to many of the Council's social objectives.
- 2.3 A number of national initiatives do exist to help SMEs. Despite these measures officers believe tailored support for our tenants is now necessary to mitigate the impact of the recession and to place the city in the best possible position to take advantage of any economic revival.
- 2.4 A number of measures are required to improve the overall environment of the market and make it more attractive for new and existing customers to use. Further consultation is required with tenants but suggestions include some painting and refurbishment, the creation of customer rest areas with tables and seating, improved signage and market maps so that new customers can find what they are looking for quickly. If these market maps were kept at Visit Leeds at the train Station for example it would help to promote the market and illustrate the size and varied nature of the goods and services on offer.

3.0 Main Issues

- 3.1 A small working group has been established to devise the details of the scheme and more information on the scheme will be reported at the meeting. The working group consists of officers from Business and Enterprise, Business Link, and City Centre & Markets Management.
- 3.2 Tenants will need to apply for support and every effort will be made to make this as simple as possible. Financial support in whatever form will be available to businesses willing to submit their accounts and agree a business plan with an independent business advisor. Having these conditions will help to ensure that the Council's objectives to support small businesses are best met and that its actions do not simply 'prolong the agony' for businesses that have no realistic future even

when the recession is over. The numbers of and types of units in the categories defined above are summarized below:

Property type	Number of Units	Vacant Units
Kirkgate Indoor Market Tenants	300	53
Small Industrial Units	243	38
Retail	47	4
Housing Estate Shops	348	10
Total	991	108

- 3.3 There may be other small independent businesses in the Council's broader miscellaneous estate and these will be considered on a case by case basis.
- 3.4 The future of the Kirkgate Market cannot be seen in isolation. Recent physical improvements to the Market and plans to redevelop the Eastgate Quarter and Warehouse Hill (The Calls) have highlighted both the potential and need for further investment in this area of the City Centre. Whilst some privately funded ventures have been hampered by the current financial climate the City Council is to submit a bid to the Heritage Lottery Fund (HLF) for £1.3m to help improve Lower Kirkgate (located between the Market and Warehouse Hill). The proposed HLF investment will require match funding from the Council and the private sector. This combined investment will help to transform this area blighted by its poor environment and vacant shops into a place that will attract new shoppers through the re-use of vacant floorspace and the creation of better pedestrian links between Kirkgate and other parts of the City Centre. There will therefore be a separate report to Executive Board in the near future regarding this proposed scheme and its match funding needs.

4.0 Implications For Council Policy And Governance

- 4.1 This scheme will help to meet the Council's aims to close the gap and for Leeds to be 'a city-region that is prosperous, innovative and distinctive enabling individuals and businesses to achieve their economic potential'.

5.0 Legal And Resource Implications

- 5.1 It is proposed that a revenue sum of £250,000 is earmarked for this initiative, to finance the Business Support Scheme, of which it is anticipated £50,000 will be incurred in 2009/10 and £ 200,000 in 2010/11. It is anticipated that a proportion of this funding comes from the HRA for estate shops.
- 5.2 This report also seeks an injection of £250,000 to the 2010/12 Capital Programme, to implement improvements to Kirkgate Market, and if agreed, detailed reports will follow to seek authority to spend.

6.0 Conclusions

- 6.1 A Business Support scheme will help to ensure the survival of the Council's commercial tenants during the recession and during the subsequent period of economic recovery. The scheme will be managed in partnership with Business Link; it will be kept simple and support will be targeted in a fast and effective manner.
- 6.2 Further capital investment in the Kirkgate indoor market will help it to compete more effectively with its competitors by helping to retain existing customers, attract new customers and improve the dwell time of customers.

7.0 Recommendations

- 7.1 Members are recommended to:
- i) agree the establishment of a Business Support Scheme for Council's small independent business tenants;
 - ii) earmark £250,000 revenue to establish the scheme, with £50,000 released from Contingency Fund in 2009/10;
 - iii) delegate further decision making on the details of the scheme and the terms and conditions for giving support to the Director City Development in consultation with the Executive Member Development;
 - iv) request officers to monitor the scheme and its effectiveness and to report back to Executive Board in six months time;
 - v) consider an injection of £125,000 in 2010/11 and £125,000 in 2011/12 when the Capital Programme is reviewed in February 2010, to improve facilities at Kirkgate Market and to
 - vi) note that the proposed Lower Kirkgate Townscape Heritage Initiative (THI) bid to the Heritage Lottery Fund will be the subject of a separate report.

Background Papers

None