

Appendix 2

Recommendation	Response (no change to original response)	Update (Further information)
<p>Recommendation 1 That in developing a draft strategy for Kirkgate Market; and noting the critical success factors for retail markets referred to in paragraph 15; we would support the management and operation of Kirkgate Market remaining with the Council but with a strengthened role for traders and business representatives through the establishment of a Management Committee for the market, to be chaired by a market trader. This would replace the current Markets Forum which was recently established.</p>		<p>Update. Executive Board have agreed to transfer Kirkgate market to an arms-length company and have instructed officers to further investigate what form this should take. The structure of the company will need to ensure both the increased investment required and deliver the faster decision making processes required by a commercial operation. The management team of any future company that ran the market would continue to hold regular meetings with tenants and their representatives. In the interim the Markets Forum will remain in place.</p> <p>Proposed Category Status: 4</p>
<p>Recommendation 2 That the Executive Board consider commissioning further work to establish the viability and cost effectiveness of reducing the size of Kirkgate Market, which utilises the space more effectively and refurbishes the buildings which are retained to a higher standard than is currently the case before committing to undertaking the imminent and essential work that is required.</p>		<p>Update Executive Board agreed that further work should be commissioned to establish the optimum size for Kirkgate market. In the interim works some imminent and essential maintenance works are being undertaken.</p> <p>Proposed Category Status: 4</p>
<p>Recommendation 3 That the Executive Board consider “ring fencing” a percentage of rental income each year for refurbishment and upkeep of Kirkgate Market (in addition to the usual maintenance costs) and that a list of work be identified and prioritised with market traders through the Management Committee to be financed from these funds each financial year.</p>	<p>Response Officers are currently assessing the feasibility of utilising a much increased percentage of the rental income each year for the maintenance and promotion of the Market. It is already current practice to consult tenant representatives on any discretionary expenditure. The level of funds recycled will need to be considered carefully in the context of the Council’s financial position.</p>	<p>Update This position remains unchanged at the time of writing.</p> <p>Proposed Category Status: 5</p>

<p>Recommendation 4 That the Acting Director of City Development consider either an alternative rent charging structure for Kirkgate Market or undertake a thorough review of the discounts and rents available in Kirkgate Market with a view to simplifying and making more transparent the discounts offered and which recognises traders who have operated in Kirkgate Market for many years.</p>	<p>Response With regard to making rental levels more transparent the Council must decide whether it wishes Kirkgate Market to operate as a commercial business keeping, as other retail landlords do, details of rental negotiations confidential, or be completely open about rental levels, thereby limiting commercial flexibility. At present existing traders who are in difficulties and request assistance are offered a range of alternative schemes. With respect to new tenants and existing tenants taking on additional stalls, markets management needs to have the flexibility to offer terms and conditions which reflect a range of factors such as the level of investment by the incoming tenant; the lead-in time of refurbishments; the length of lease and whether the goods or services helps to achieve the best mix. However these agreements are confidential and officers strongly recommended to Executive Board that they remain so. It is perhaps worth emphasising that it is not in the long term interests of the market to allow any such arrangements to result in unfair competition which drove existing tenants out of the market – the overall aims of our lettings policy are to reduce voids and improve the range and quality of goods and services. Executive Board did not agree to any change in the current arrangements by the Markets Service.</p>	<p>Update The ‘10%’ scheme has been discontinued and those on the scheme are now being phased up to full rent. From 1 August to 30 November tenants pay 25%; from 1 Dec to 31 Jan 2012 50%, 1 Feb to 30 April 75%, and full rent from 1 May 2012. There are 20 stalls occupied under the scheme; to date only 1 has given notice to surrender their stall. Of those benefiting from the scheme, at the time of take-up 7 were new start-ups; 4 had been trading 1 year or less; 5 for up to 5 years, and 4 for over 5 years.</p> <p>Proposed Category Status: 1</p>
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<p>Recommendation 5 That the Acting Director of City Development:</p> <p>(i) undertake a review of the staffing costs which are allocated to the Service Charges for Kirkgate Market to identify if any savings could be made in this area.</p> <p>(ii) introduce electronic access to the Service Charge accounts income and expenditure for market traders rather than manual copies which are held in the Markets Office.</p>		<p>Update (i). A four week time recording exercise was undertaken during June and July to give a more accurate snapshot of how staff were actually allocating their time. The results of this are currently being fed into the service charge calculation. Initial indications show that a higher percentage of time is service chargeable than had previously been allocated.</p> <p>Update (ii) It has not proved possible to grant traders access to LCC finance system. Once this year's service charge is finalised, a pdf document will be produced monthly to show a financial position statement, plus a list of every invoice and charge included in that sum. Hard copies of each invoice are kept in a file available to traders, and updated monthly; however no requests to view these have been received to date.</p> <p>Proposed Category Status: 4</p>
<p>Recommendation 6 That the Acting Director of City Development undertake a review of the lettings policy for Kirkgate Market with traders; to ensure that it is fit for purpose and contributes to the development of a strategy that ensures Kirkgate Market is the best market in the UK for quality and for being a unique shopping experience.</p>		<p>Update: A review of the lettings policy has been undertaken by the Markets management. The process for dealing with applications is set out in the flow chart attached which was formulated following input from trader representatives. A decision on whether to offer a tenancy is taken, by management, on an individual basis for each applicant, taking into account a range of factors including uniqueness and quality of product, level of investment, track record, differentiation and additionality to the product mix. New applications and changes to existing product ranges are advertised for 7 days to allow existing tenants to comment, and these comments are also taken into account when making the decision. Markets management do not propose any further changes to the lettings policy at this stage. A review of the rents charged in the market was done in 2010, by an independent body, the Valuation Office. This would normally be done every 3 years. There has been no increase in rents since the 2005 review.</p> <p>Proposed Category Status: 5</p>

<p>Recommendation 7 That the Acting Director of City Development work with the traders to:</p> <p>(i) adapt and make the changes necessary to win back footfall to Kirkgate Market by improving the overall shopping experience of customers which encourages them to spend more; and</p> <p>(ii) make a greater investment in promoting Kirkgate Market.</p>		<p>Update Measures currently being undertaken to win back footfall are outlined below.</p> <ul style="list-style-type: none"> • The new website at www.leedsmarkets.co.uk profiles traders free of charge, and includes details of offers and events, recipes etc; • Social media (Twitter, Facebook, Flickr, blogging) is proving particularly important as a means of communication with new target markets. For example @leedsmarkets has over 900 followers on Twitter, and bloggers regularly comment on the food offer; • Markets promotions are linked wherever possible with wider events and opportunities, and staff work closely with City Centre management. Some traders have participated in the Leeds Loves Food festival in both 2010 and July 2011, in last October's Leeds Loves Shopping week and in Festive Leeds as well as in a range of seasonal events and promotions in school holidays; • New opportunities for joint working with external partners are an important part of the awareness-raising campaign; for example traders are participating in Good Food Friday at the Corn Exchange; and students from Leeds Met University undertook feasibility work into a 'shop and drop' scheme to encourage early morning purchases from customers on the way to work. This scheme has now been implemented. • The markets actively encourage TV companies to use the market as a location where this gives a positive message, and the filming diary is extremely busy; • A newsletter for traders is produced monthly and regular management meetings are offered to tenant representatives to keep traders up to date with the latest news, developments and initiatives. Management also conduct regular one-to-one sessions with traders to share views and discuss opportunities; • Markets are working with an organization of national food promoters, Shelf Life, whose remit is to position Leeds Kirkgate market as the premier food destination in the
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<p>Recommendation 8 That the Acting Director of City Development review this as part of developing a new strategy for the market which requires traders to operate to agreed standards which include a requirement to erect appropriate fascias with their correct name on it, display their goods attractively and keep their stall clean. This should be included in future tenancy agreements.</p>	<p>Response It is already a requirement in tenancy agreements that traders operate to agreed standards which include a requirement to erect appropriate fascias with an appropriate name on it, display their goods attractively and keep their stall clean. However the legal enforcement of such requirements is difficult, time-consuming, costly and sometimes unsuccessful. Legislation may be introduced which would enable Markets Management to issue fixed penalty notices to traders who failed to comply with their tenancy agreements.</p> <p>In relation to changing the name on a fascia when a stall has been assigned to a new tenant, the name forms part of the goodwill/business equity at the time of assignment and can be important in retaining customers for that business, especially early on after assignment. What we aim to eliminate are poor quality or temporary signs so now, whenever tenants apply for a change to their lease, we insist on appropriate signage which complies with our guidelines as a condition of the variation.</p>	<p>Proposed Category Status: 1</p>
<p>Recommendation 9 That the Acting Director of City Development introduces appropriate performance indicators that enable the success of the new market strategy once implemented to be measured and that these be made available to the traders, Executive Board Member and relevant</p>		<p>Update. Performance measures include measures of footfall, tenant turnover, occupancy levels, customer satisfaction and income generation have been identified. The first three are shared with trader representatives at regular meetings. All measures are reviewed quarterly by the management team, and individual teams review performance more regularly. The markets action plan is amended where required, to ensure targets are met. Information on visitor numbers, crime reduction,</p>

<p>Scrutiny Board on a regular basis.</p>		<p>new additions to the market, and customer satisfaction will shortly be displayed in the new information centre.</p> <p>Proposed Category Status: 1</p>
<p>Recommendation 10 That the Acting Director of City Development review the parking, loading and unloading arrangements as part of the strategy for the Market having regard to the Eastgate development including the possibility of identifying a dedicated area for traders transit vans that cannot be parked in the NCP market car park.</p>		<p>Update Negotiations are currently underway with NCP management to realign charging policy for customers, and introduce incentives beneficial to the markets. Trader parking during and after completion of the Eastgate development is part of ongoing discussion with the developer, Hammerson.</p> <p>Proposed Category Status: 4</p>
<p>Recommendation 11 That the Acting Director of City Development ensures that officers keep traders appraised of progress with regard to the Eastgate Development and that the developers Hammersons and John Lewis are asked to meet with market trader representatives on a regular basis to explain their proposals and hear the traders concerns.</p>	<p>Response Officers are already keeping traders appraised and will continue to do so through a variety of means; in addition public consultation events and two formal meetings between tenant representatives and Hammersons have been held and officers have asked Hammersons to maintain a proactive dialogue with Traders throughout the development process.</p>	<p>Proposed Category Status: 1</p>
<p>Recommendation 12 That the Acting Director of City Development provides a copy of the Market Strategy on publication to the relevant Scrutiny Board for consideration and comment.</p>		<p>Update Actioned and attached.</p> <p>Proposed Category Status: 6</p>