

Report of the Director of City Development

Report to Scrutiny Board (Regeneration)

Date: 17th January 2012

Subject: Provision of additional information regarding Leeds Kirkgate Market

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

Summary of main issues

1. At its meeting on 29th November 2011 Scrutiny Board asked for further information on the following points:
 - i) The impact vacant stalls have on the service charges applied to stallholders.
There is no impact.
 - ii) The total annual estimated loss of income from the 78 vacant units submitted to the Board. The lost income is £709.8k per annum.
 - iii) Confirmation that the list of vacant stalls submitted to the Board was accurate. It was.

Recommendations

Members are asked to note the additional information provided.

1 Purpose of this report

- 1.1 This report provides further information on three queries raised by Scrutiny Board at its meeting on 29th November 2012.

2 Background information

- 2.1 Following the provision of additional information on lettings requested by Scrutiny Board, the Board requested further additional information at its meeting on 29th November on:
- i) the affect vacant stalls have on the service charges applied to stallholders;
 - ii) the total estimated loss of income from vacant units listed in the appendix submitted to the Board;
 - iii) the number of vacant stalls. Reference was made at the meeting on 29th November to a list of vacant stalls which had been provided to market traders by the Market Information Office which differed from the list provided to the Board. Confirmation was sought as to which list was accurate.

3 Main issues

- 3.1 **The impact vacant stalls have on the service charges applied to stallholders.** The number of vacant units does not impact on the service charge that tenants pay. Once the costs for running the Market have been finalised they are divided by the total lettable space to give a rate per square foot. The tenants are then charged at that rate multiplied by the size of their stall. For example over the last two years the vacancy rates for the end of March for each of these years were:
- 2009/10 – 12.35%
 - 2010/11 – 13.29%
- but the service charge remained the same.
- 3.2 **Loss of income from the empty units.** The annual loss of income from the 78 vacant units is £709.8k; this is a combination of lost rent and service charge.
- 3.3 **The number of vacant stalls.** Reference was made at the meeting on 29th November 2011 to a list of vacant stalls which had been released to the market traders which differed from the list provided to the Board and confirmation was sought as to which list was accurate. Both lists were correct – the list to Scrutiny was prepared three or four weeks before the meeting in order to go through the clearance of papers. The list provided to the tenants by the information centre was more recent. Members should also note that there are often more stalls that appear to be vacant than are advertised in the information centre as immediately available. This may be because there are outstanding works required in them, or they are being let for storage or a tenant has ceased trading but their notice period has not yet expired.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 Not applicable – provision of further information only.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 No implications

4.3 Council Policies and City Priorities

4.3.1 No implications

4.4 Resources and Value for Money

4.4.1 The information provided highlights the loss of potential income from vacant stalls.

4.5 Legal Implications, Access to Information and Call In

4.5.1 The report refers, although not in detail, to confidential information provided to the Scrutiny Board at the meeting on 31st October 2011 under Access to Information Procedure 10.4 (3).

4.6 Risk Management

4.6.1 Not applicable

5 Conclusions

5.1 The information provided addresses the outstanding queries from Elected Members at the meeting of Scrutiny Board (Regeneration) on 29th November 2011 relating to the number of vacant units, the impact on the service charge and income revenue.

6 Recommendations

6.1 Members are recommended to note the information provided.

7 Background documents

7.1 Kirkgate Indoor Market Lettings Policy and Process.