

## SCRUTINY BOARD (CITY DEVELOPMENT)

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Meeting to be held in Civic Hall, Leeds, LS1 1UR on  
Tuesday, 17th May, 2011 at 10.00 am

A pre-meeting will take place for ALL Members of the Board  
in a Committee Room at 9.30 am

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### MEMBERSHIP Councillors

J Akhtar	-	Hyde Park and Woodhouse;
B Atha	-	Kirkstall;
D Atkinson	-	Bramley and Stanningley;
J Elliott	-	Morley South;
G Harper	-	Hyde Park and Woodhouse;
J Jarosz	-	Pudsey;
M Loble	-	Roundhay;
J Procter (Chair)	-	Wetherby;
R Pryke	-	Burmantofts and Richmond Hill;
M Rafique	-	Chapel Allerton;
M Robinson	-	Harewood;
Vacancy	-	
B Woroncow	-	Co-optee (Non-voting)

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*Please note: Certain or all items on this agenda may be recorded*

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**Agenda compiled by:**  
**Stuart Robinson**  
**Governance Services**  
**Civic Hall**  
**LEEDS LS1 1UR**  
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**Principal Scrutiny Adviser:**  
**Richard Mills**  
**Tel: 24 74557**

# A G E N D A

Item No	Ward/Equal Opportunities	Item Not Open		Page No
1			<p><b>APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</b></p> <p>To consider any appeals in accordance with Procedure Rule 25 of the Access to Information Rules (in the event of an Appeal the press and public will be excluded).</p> <p>(*In accordance with Procedure Rule 25, written notice of an appeal must be received by the Chief Democratic Services Officer at least 24 hours before the meeting.)</p>	
2			<p><b>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC</b></p> <p>1 To highlight reports or appendices which officers have identified as containing exempt information, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.</p> <p>2 To consider whether or not to accept the officers recommendation in respect of the above information.</p> <p>3 If so, to formally pass the following resolution:-</p> <p><b>RESOLVED –</b> That the press and public be excluded from the meeting during consideration of the following parts of the agenda designated as containing exempt information on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information, as follows:</p> <p><b>No exempt items or information have been identified on the agenda</b></p>	

Item No	Ward/Equal Opportunities	Item Not Open		Page No
3			<p><b>LATE ITEMS</b></p> <p>To identify items which have been admitted to the agenda by the Chair for consideration.</p> <p>(The special circumstance shall be specified in the minutes.)</p>	
4			<p><b>DECLARATION OF INTERESTS</b></p> <p>To declare any personal / prejudicial interests for the purpose of Section 81(3) of the Local Government Act 2000 and paragraphs 8 to 12 of the Members' Code of Conduct.</p>	
5			<p><b>APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES</b></p> <p>To receive any apologies for absence and notification of substitutes.</p>	
6			<p><b>MINUTES OF THE PREVIOUS MEETINGS</b></p> <p>To confirm as a correct record the minutes of the meeting held on 20<sup>th</sup> April 2011 and the Call-In meeting held on 20<sup>th</sup> April 2011.</p>	1 - 10
7			<p><b>OFFICER REGISTRATION OF INTERESTS</b></p> <p>To consider a report of the Head of Scrutiny and Member Development on Officer Registration of Interests.</p>	11 - 18
8			<p><b>INQUIRY TO REVIEW HOME FARM, TEMPLE NEWSAM - DRAFT FINAL REPORT AND RECOMMENDATIONS</b></p> <p>To consider a report of the Head of Scrutiny and Member Development on the draft final report and recommendations in relation to the Inquiry to review Home Farm, Temple Newsam.</p>	19 - 44

Item No	Ward/Equal Opportunities	Item Not Open		Page No
9			<b>GRANTS TO CULTURE AND SPORT RELATED ORGANISATIONS</b>  To consider a report of the Head of Scrutiny and Member Development on Grants to Culture and Sport Related Organisations.  <b>(N.B. Please note that an update report from the Chief Libraries, Arts and Heritage Officer will follow)</b>	45 - 54
10			<b>INQUIRY TO REVIEW THE FUTURE OF KIRKGATE MARKET - DRAFT FINAL REPORT AND RECOMMENDATIONS</b>  To consider a report of the Head of Scrutiny and Member Development on the draft final report and recommendations in relation to the Inquiry to review the future of Kirkgate Market.	55 - 90

## SCRUTINY BOARD (CITY DEVELOPMENT)

WEDNESDAY, 20TH APRIL, 2011

**PRESENT:** Councillor J Procter in the Chair

Councillors J Akhtar, B Atha, J Elliott,  
G Harper, J Jarosz, M Lobley, R Pryke,  
M Rafique and M Robinson

B Woroncow (Co-optee)

### **153 Chair's Opening Remarks**

The Chair welcomed everyone to the additional April meeting of the Scrutiny Board (City Development).

### **154 Exempt Information - Possible Exclusion of the Press and Public**

It was reported that Agenda Item 8, Implementing Audit Report Recommendations (Appendix 1 and 2 refers) contained information considered to be exempt under Access to Information Rules 10.4 (1,2,4 & 6) and Article 6 Human Rights Act 1998. Members were asked to consider whether to exclude the press and public from the meeting during the discussion of this information.

**RESOLVED** – That the press and public be excluded from the meeting during consideration of the aforementioned parts of the agenda designated as containing exempt information on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information.

### **155 Late Items**

The Chair agreed to accept the following documents as supplementary information:-

- Minutes of the meeting held on 5<sup>th</sup> April 2011 and the Call-In meeting held on 5<sup>th</sup> April 2011 (Agenda Item 6) (Minute 158 refers)
- Background information in relation to the closure of East Leeds Leisure Centre and Middleton Pool and Reduced Opening Hours of Garforth Squash and Leisure Centre (Agenda Item 7) (Minute 159 refers)

The documents were not available at the time of the agenda despatch, but made available on the Council's Internet site prior to the Board meeting.

### **156 Declaration of Interests**

There were no declarations of interest made at the meeting.

**157 Apologies for Absence and Notification of Substitutes**

Apologies for absence were received on behalf of Councillors D Atkinson and S Smith with no substitutes having been offered.

**158 Minutes of the Previous Meetings**

**RESOLVED-** That the minutes of the meeting held on 5<sup>th</sup> April 2011 and the Call-in meeting held on 5<sup>th</sup> April 2011 be confirmed as a correct record.

**159 Closure of East Leeds Leisure Centre and Middleton Pool and Reduced Opening Hours of Garforth Squash and Leisure Centre**

A report of the Head of Scrutiny and Member Development was re-submitted on the closure of East Leeds Leisure Centre and Middleton Pool and reduced opening hours of Garforth Squash and Leisure Centre. This matter was adjourned at the last meeting

Appended to the report were copies of the following documents for the information/comment of the meeting:-

- Scrutiny of Council Budget Decisions on Leisure Centres – Report of the Chief Recreation Officer
- Leisure Centres Key Statistics 2010/11 (Appendix A refers)
- Analysis of Income and Expenditure (Appendix B refers)
- Bodyline Analysis (Appendix C refers)

In addition to the above documents, a copy an update on Garforth, East Leeds, Middleton and Bramley was circulated.

The following representatives were in attendance and responded to Board Members' queries and comments:-

Councillor A Ogilvie, Executive Member, Leisure  
Martin Farrington, Acting Director of City Development  
Richard Mond, Chief Recreation Officer, City Development  
David O'Loan, City Development

At the request of the Chair, the Chief Recreation Officer presented his report in relation to Scrutiny of Council Budget decisions on Leisure Centres highlighting the main points.

The Board then responded to the main points of discussion.

In summary, specific reference was made to the following issues:-

- Clarification of the discounts and subsidies in comparison to private health clubs
- Clarification of the process followed under the Sports Facility Strategy – the Vision for Leisure Centres
- Clarification of the public transport facilities serving the leisure centres

- The deprivation in the areas where these proposals have been implemented and the negative effect these decisions will have in those communities
- The consultation process
- The concern that all children in Leeds have access to swimming pool facilities

#### **RESOLVED-**

- a) That the contents of the report and appendices be noted including the decision by the Executive Board to keep Kippax Leisure Centre and Bramley Baths open but having reduced operating hours at Bramley.
- b) That this Board recommends to the Executive Board: that in future, proposals of this nature should be fully consulted upon before the matter is referred to the Executive Board for determination.
- c) That the Executive Board be advised that this Scrutiny Board opposes the reduction in hours at Garforth Squash and Leisure Centre and the proposed Community Asset Transfer (CAT) to the School Partnership Trust and the closure of East Leeds Leisure Centre and Middleton Pool.

(Councillor J Akhtar joined the meeting at 10.10am during discussions of the above item)

#### **160 Implementing Audit Report Recommendations**

The Head of Scrutiny and Member Development submitted a report on implementing Audit Recommendations.

Prior to discussing the matter, the Board agreed to conduct this item of business in private session.

The following representatives were in attendance and responded to Board Members' queries and comments:-

Neil Hunter, Head of Internal Audit, Resources  
 Martin Farrington, Acting Director of City Development  
 Catherine Blanshard, Chief Libraries, Arts and Heritage Officer, City Development

The Chair, on behalf of the Board requested the Head of Internal Audit to give a brief introduction on the following specific issues:-

- An explanation of how whistleblowing worked within the Council
- An explanation of the work of Internal Audit and the process and procedures it follows
- How Internal Audit was viewed within the Council
- Brief resume of the history of this investigation and comments on the report of the Acting Director of City Development on the action and progress taken to implement the recommendations of the Audit Report into these specific whistleblowing allegations

In summary, specific reference was made to the following issues:-

- Clarification of the procedure following an allegation of whistleblowing and the role of Internal Audit in this regard
- Clarification of the number of staff employed within Internal Audit
- Clarification of the process applied for officers to make declarations of interest across the Council and how are they monitored and kept up to date
- Clarification of what checks were made to ensure officers are declaring interests and where they are registered and who has access to these declarations
- Clarification of what mechanisms/safeguards were in place that would identify an officer having an interest when officers were advising Members on issues
- Clarification as to whether officer declarations were available under Freedom of Information and if not why not
- Clarification of what the current position was regarding proposals by Government to introduce the same requirements for officer declarations as those of Elected Members which include being accessible by the public
- The view that the Head of Internal Audit should be required to submit all whistleblowing cases to the Corporate and Governance and Audit Committee and not just those that he regards as having major concerns whilst maintaining the confidentiality of the whistleblower when presenting such information
- Clarification as to whether officers terms and conditions of employment require them to declare conflicts of interest
- To suggest that whistleblowing should be included as part of the newly Elected Members induction training

**RESOLVED –**

- (a) That the contents of the report and appendices be noted.
- (b) That the Head of Internal Audit be requested to submit all whistleblowing cases to the Corporate and Governance and Audit Committee on a regular basis whilst maintaining complete confidentiality of the identity of the whistleblower/s concerned.
- (c) That, the Chief Officer (Human Resources) prepare a report on the following specific issues for consideration at the Board's next meeting on 17<sup>th</sup> May 2011:-
  - the process applied for officers to make declarations of interest across the Council and how are they kept up to date and monitored
  - what checks are made to ensure that officers are declaring interests and details of where the declarations are kept and who has access to them
  - what mechanisms/safeguards are in place that would identify an officer having an interest when officers were advising Members on issues
  - whether officer declarations are available under Freedom of Information and if not why not



- what the current position is regarding proposals by Government to introduce the same requirements for officer declarations as those of Elected Members which include being accessible by the public
  - to identify whether officers terms and conditions of employment require them to declare conflicts of interest
- (d) That whistleblowing be included as part of the newly Elected Members induction training.

(Councillor G Harper left the meeting at 12.25pm during discussions of the above item)

(Councillor M Rafique left the meeting at 12.30pm during discussions of the above item)

**161 Date and Time of Next Meeting**

Tuesday 17<sup>th</sup> May 2011 at 10.00am (Pre meeting for Board Members at 9.30am)

(The meeting concluded at 1.05pm)

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## SCRUTINY BOARD (CITY DEVELOPMENT)

WEDNESDAY, 20TH APRIL, 2011

**PRESENT:** Councillor J Procter in the Chair

Councillors J Akhtar, B Atha, B Chastney,  
J Elliott, P Grahame, G Harper, J Jarosz,  
M Lobley, R Pryke, M Rafique and  
M Robinson

B Woroncow (Co-optee – non voting)

**162 Chair's Opening Remarks**

The Chair welcomed everyone to the call-in meeting.

**163 Declaration of Interests**

There were no declarations of interest made at the meeting.

**164 Apologies for Absence and Notification of Substitutes**

Apologies for absence were received on behalf of Councillors D Atkinson and S Smith.

Notification had been received for Councillor P Grahame to substitute for Councillor D Atkinson and for Councillor B Chasney to substitute for Councillor S Smith.

**165 Call-in of Decision - Briefing Paper**

The Head of Scrutiny and Member Development submitted a report regarding the procedural aspects of the call-in process.

Members were advised that the options available to the Board in respect of this particular called-in decision were:-

Option 1 – Release the decision for implementation. Having reviewed the decision, the Scrutiny Board (City Development) could decide to release it for implementation. If this option was chosen, the decision would be released for immediate implementation and the decision could not be called-in again.

Option 2 – Recommend that the decision be reconsidered. Having reviewed the decision, the Scrutiny Board (City Development) may decide to recommend to the decision maker that the decision be reconsidered. If the Scrutiny Board chooses this option a report will be submitted to the Executive Board.

In the case of an Executive Board decision, the report of the Scrutiny Board will be presented to the next available meeting. The Executive Board will reconsider its decision and will publish the outcome of its deliberations within the minutes of the meeting. The decision may not be Called In again whether

or not it was varied.

**RESOLVED** – That the report outlining the call-in procedures be noted.

**166 Call In - Garforth Squash and Leisure Centre**

The Head of Scrutiny and Member Development submitted a report, together with background papers, relating to a review of a decision made by the Executive Board on 30<sup>th</sup> March 2011 in relation to 'Garforth Squash and Leisure Centre'.

Appended to the report were copies of the following documents for the information/comment of the meeting:-

- Copy of the completed call-in request form
- Garforth Squash and Leisure Centre – Report of the Acting Director of City Development submitted to the Executive Board meeting held on 30<sup>th</sup> March 2011
- Relevant extract of the Executive Board minutes of 30<sup>th</sup> March 2011

The decision had been called-in for review by Councillors A Lamb, D Schofield, B Anderson, C Fox and P Harrand on the following grounds:-

- A lack of clarity of aims and outcomes
- Insufficient information and lack of explanation of all the options considered and details of the reason for the decision taken by the Executive Board
- A lack of openness and transparency and concerns as to what was being proposed
- The 2000 plus named petition of local residents showing the level of local concern
- The lack of a business plan and opportunity to other possible providers
- Concerns about the overall process, particularly the level of detail in the Executive Board report

Councillors A Lamb and D Schofield attended the meeting and gave evidence to the Board as to why they had called this item in and responded to Members' questions and comments.

The following representatives were also in attendance:-

Councillor A Ogilvie, Executive Member with portfolio responsibility for leisure  
Martin Farrington, Acting Director of City Development  
Richard Mond, Chief Recreation Officer, City Development  
Mark Allman, Head of Sport and Active Recreation, City Development

In summary, the main points raised by Councillors A Lamb and D Schofield were the need:-

- The concerns about the overall process, particularly the level of accurate detail in the Executive Board report
- That discussions were ongoing with the School Partnership Trust regarding the lease and potential business plan of the Garforth Squash Club and Leisure Centre which, again, was not reflected within the Executive Board report
- That Garforth Squash and Leisure Centre was viewed as a valuable asset to the Community
- That, in view of the above reasons, the Executive Board report should be referred back for re-consideration

In explaining the reasons for the Executive Board decision, Councillor Ogilvie and officers made the following comments:-

- The need to progress a proposal for community asset transfer for Garforth Sports Centre resulting from a reduction in the sports budget for 2011/12
- The need to recognise that timing was an issue in securing the continuation of a community resource in Garforth
- To recognise that a business plan would be brought forward in due course

The Chair then invited questions and comments from Board Members be put to Councillors Lamb and Schofield, the Executive Board Member and officers on the evidence submitted.

In summary, the main areas of discussion were:-

- Clarification of the discussions to date between the School Partnership Trust and the Garforth Academy
- Clarification of the process to date, together with the involvement between the local Ward Member, the Trust and officers on this issue
- Clarification of the process in relation to the business plan and whether or not consideration had been given to introducing a Plan 'B' should the current proposals not go ahead
- Clarification of the Community Asset transfer process and the leasing arrangements
- Clarification of the future of the bodyline service provided at Garforth Squash and Leisure Centre
- Clarification of the heads of terms that had been drafted and shared with the School Partnership Trust and the reassurances sought that the terms were not similar to the PFI programme
- Clarification of the repairs required at Garforth Squash Club and Leisure Centre estimated to be £348, 650 and whether the Schools Partnership Trust would be responsible for these under the 'repairing obligation' set out in the Heads of Terms

Following this process, the Chair allowed officers and the Call-In signatories to sum up.

In conclusion, the Chair thanked Councillors Lamb and Schofield, together with Councillor Ogilvie and officers for their attendance and contribution to the call in meeting.

**RESOLVED-** That the report and information provided be noted.

**167 Outcome of Call-In**

Following consideration of evidence presented to them, the Board passed the following resolution:-

**RESOLVED** – That the decision be referred back to the Executive Board on the grounds that there were concerns that the School Partnership Trust (SPT) had not agreed to take on this facility, that there was no business plan submitted to Executive Board as to how the future service delivery at this facility for community use will be delivered, no reference to repair costs that will have to be incurred by the Council under the proposed Heads of Term before SPT take on the repairing obligation and that only a single organisation had been approached with a view to transferring the Council's asset.

(The meeting concluded at 2.50pm)



Originator: R L Mills

Tel:2474557

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## Report of the Head of Scrutiny and Member Development

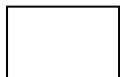
### Scrutiny Board (City Development)

Date: 17<sup>th</sup> May 2011

### Subject: Officer Registration of Interests

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#### Electoral Wards Affected: All



Ward Members consulted  
(referred to in report)

#### Specific Implications For:

Equality and Diversity

☐

Community Cohesion

☐

Narrowing the Gap

☐

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## 1.0 Introduction

1.1 On 20<sup>th</sup> April 2011 Scrutiny Board (City Development) considered a report of the Acting Director of City Development on implementing an Internal Audit Report's recommendations following whistleblowing allegations.

1.2 The Scrutiny Board in considering this matter identified a number of concerns concerning the Officer Registration of Interests. The Board asked for a report at today's meeting on the following specific issues :-

- the process applied for officers to make declarations of interest across the Council and how are they kept up to date and monitored
- what checks are made to ensure that officers are declaring interests and details of where the declarations are kept and who has access to them
- what mechanisms/safeguards are in place that would identify an officer having an interest when officers were advising Members on issues
- whether officer declarations are available under Freedom of Information and if not why not
- what the current position is regarding proposals by Government to introduce the same requirements for officer declarations as those of Elected Members which include being accessible by the public
- to identify whether officers terms and conditions of employment require them to declare conflicts of interest

## 2.0 Report of the Director of Resources

2.1 A report of the Director of Resources on this matter is attached for Members consideration and comments.

### **3.0 Recommendations**

- 3.1 The Board is requested to consider and comment on the report of the Director of Resources on this matter.



**Report of Head of HR (HR Governance)**

**Report to Scrutiny Board (City Development)**

**Date: 17 May 2011**

**Subject: Officer register of interests**

**Report author: Dave Almond**

**Contact telephone number: 24 78181**

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**Does the report contain information which has been identified as confidential or exempt?**

☐ **Yes** (if exempt, please see the public interest test in section 4)

Relevant section of the report:

In accordance with Access to Information Procedure Rule:

☒ **No**, this report does not contain information identified as confidential or exempt.

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**Is the decision eligible for call-in?** ☐ **Yes** ☐ **No – exempt** ☒ **Not applicable**

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### **Summary of main issues and corporate governance considerations**

1. On 20 April 2011, Scrutiny Board (City Development) requested additional information about the position in regard to employee's declarations of interests and the employee register of interests.
2. This report provides the information requested by Scrutiny Board (City Development).

### **Recommendations**

3. Scrutiny Board (City Development) are asked to note the contents of this report.

## **1 Purpose of this report**

1.1 To respond to a request from the Board for a report covering the following issues:

- The process applied for officers to make declarations of interest across the Council?
- How are they kept up to date?
- What checks are made to ensure officers are declaring interests?
- Where are they registered and who has access to them?
- When officers are advising Members on issues what mechanisms/safeguards are in place that would identify an officer having an interest?
- Are officer declarations available under Freedom of Information and if not why not?
- What is the current position regarding proposals by Government to introduce the same requirements for officer declarations as those of Elected Members which include being accessible by the public?

1.2 This report is for information only.

## **2 Background information**

- 2.1 The requirement for employees to declare certain interests is contained in the Employee Code of Conduct.
- 2.2 The Employee Code of Conduct has recently replaced the former Officer Code of Conduct after a “light touch” review to update the terminology of the report and make minor changes, principally contingent on changes in legislation and advances in internet communication.
- 2.3 The HR Service has committed to the Standards Committee to do an in-depth review of the new Employee Code of Conduct by 31 March 2012.

## **3 Main issues**

- 3.1 Section 10 of the employee code of conduct requires all employees with relevant interests to declare them at least once a year. The responsibility for complying with the Code of Conduct lies with each individual member of staff, and failure to comply can, where appropriate, constitute a disciplinary offence.
- 3.2 To assist employees in complying with their duties under the Code of Conduct, all employees are reminded annually of their duty to declare their interests. A general message is released to all staff, this year this was done via the intranet and the Council’s Staff News publication. Furthermore, those staff in “high risk” posts (as described below) are individually contacted to make a declaration each year.

- 3.3 Declarations are made to the Business Support Centre (BSC), for administrative reasons, and are forwarded on to relevant directors. (For the purposes of the employee code of conduct, "Directors" refers to the five directors and the assistant chief executive(s).)
- 3.4 Alongside the review of the employee code of conduct, the administrative procedures in place at the BSC were reviewed. These processes include an annual process where employees in "high risk" posts are directly approached once a year to make a declaration (even if that is a "nil" return). This last occurred week commencing 11 April 2011. In addition staff have been reminded through the intranet and the Council's Staff News publication of the need to declare interests.
- 3.5 Directors are responsible for identifying which posts in their areas are "high risk". Guidance is provided in making this assessment by Human Resources, who have recently worked with directorates to review the list of high-risk posts. Posts which are politically restricted, or are graded at JNC Chief Officer grades (or above) are automatically deemed to be "high risk". This list is reviewed annually prior to sending out declaration forms to those in "high risk" posts.
- 3.6 The BSC monitors the annual returns from employees in "high risk" posts and provides one reminder for any that are not returned within two weeks. After a further two weeks Directors are informed of any outstanding returns and asked to take appropriate action.
- 3.7 The Business Support Centre maintains an electronic database containing all the register of interests data, and copies of the individual declarations which have been made. This information is shared with Directors and/or relevant Chief Officers. The Director (or his/her nominee) is asked to share the information only so far as is necessary to assess and monitor any conflict of interest. This will normally involve advising the line management chain from the employee in question back to the Director.
- 3.8 Where an employee's declared interests may conflict with matters on which they offer advice to Members then the principal responsibility lies with the officer to ensure that they do not place themselves in a position where there could be a perception of a conflict of interests. In some cases the only reasonable course of action, particularly where the possibility of the conflict arising was not identified in advance, would be for the officer to advise the Members that they found themselves in a situation which could give rise to a conflict of interest and excusing themselves from further involvement in the matter.
- 3.9 Where a potential conflict has already been identified through a regular declaration and the conflicting business is clearly set out, for example, in the agenda of an upcoming meeting, the employee, in conjunction with their manager and/or director, should take appropriate steps to avoid any perception of a conflict of interest. The exact steps will vary depending on the situation, but may include, for example, having that particular meeting or item of business being attended to by an alternate employee. The responsibility for identifying the conflict lies with the employee, but directors should also remain aware of declared interests and any potential they may have for conflict.
- 3.10 Directors are responsible for assessing whether an interest does or may give rise to an actual conflict of interest, or a perception of conflict of interest, and for taking action to mitigate such conflicts or perceptions. In practice, directors may direct more immediate

line managers to monitor the day-to-day interactions between an employee's declared interests and their work. Advice is available from local HR contacts.

- 3.11 It is difficult to assess non-declarations, as we would have to be aware of an interest to note its absence. The onus is on the employee to make the declaration. That said, Directors may, in high profile cases, be aware of interests which they would expect to be declared, and will be able to compare these expectations with actual returns. (The BSC advises the Director of nil returns as well as actual interests.)
- 3.12 Staff at the BSC have access to the register and individual returns for administrative purposes; members of HR who are assigned to work on the register of interest may also access the returns where it is necessary to do so as part of their work. Individuals may, under data protection rules, request to see their own declarations.
- 3.13 Employee declarations of interests are exempt from disclosure under the Freedom of Information legislation as they are personal information within the meaning of the Data Protection Act.
- 3.14 Although the previous government had consulted, and considered at length, proposals to introduce a national officer code of conduct, the current government has confirmed that there is no intention now to proceed with such a code.

## **4 Corporate governance considerations**

### **4.1 Risk management**

4.1.1 n/a

### **4.2 Public Interest Test**

4.2.1 n/a

### **4.3 Forward Plan**

4.3.1 n/a

### **4.4 Scrutiny process: Call-In**

4.4.1 n/a

### **4.5 Constitution and legal matters**

4.5.1 This report is for information only.

### **4.6 Financial and resource implications**

4.6.1 The actions outlined in this report are deemed to be proportionate to the risk given the resources previously dedicated to progress chasing nil returns from low risk posts.

### **4.7 Equality and Diversity and Cohesion and Integration**

4.7.1 n/a

#### **4.8 Council policies and City priorities**

4.8.1 n/a

#### **4.9 Consultation**

4.9.1 n/a

### **5 Recommendations**

5.1 The Board is asked to note the content of this report

### **6 Background documents**

6.1 [Employee Code of Conduct](#)

6.2 [Register of Interest Form and Guidance](#)

6.3 [Reviewing Register of Interest Declarations](#)

6.4 [Identifying High Risk Posts](#)

6.5 Intranet pages on [Code of Conduct](#) and [Register of Employee's Interests Form](#)

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Originator: R L Mills

Tel:2474557

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## Report of the Head of Scrutiny and Member Development

### Scrutiny Board (City Development)

Date: 17<sup>th</sup> May 2011

Subject: Inquiry to Review Home Farm, Temple Newsam – Draft Final Report & Recommendations

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#### Electoral Wards Affected: All

☐

Ward Members consulted  
(referred to in report)

#### Specific Implications For:

Equality and Diversity

☐

Community Cohesion

☐

Narrowing the Gap

☐

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## 1.0 Introduction

- 1.1 Scrutiny Board (City Development) has now completed its inquiry to review Home Farm, Temple Newsam. The Board is now in a position to report on its findings and its conclusions and recommendations resulting from the evidence gathered.
- 1.2 A copy of the draft final report along with a summary of the evidence considered during the inquiry is attached for members consideration.

## 2.0 Consultation

- 2.1 Scrutiny Board Procedure Rule 14.2 states that "where a Scrutiny Board is considering making specific recommendations it shall invite advice from the appropriate Director(s) prior to finalising its recommendations. The detail of that advice shall be reported to the Scrutiny Board and considered before the report is finalised. The Director shall consult with the appropriate Executive Member before providing any such advice."
- 2.2 The appropriate Directors have been consulted and any comments or advice that are received will be presented to the Board meeting today.

### **3.0 Recommendations**

3.1 The Board is requested to:-

- (i) Agree the Board's final report and recommendations.
- (ii) Request that a formal response to the recommendations is produced in line with normal procedures for scrutiny inquiry reports as set out in Scrutiny Procedure Rule 15.1.



**Draft 27.04.2011**

**Review of Home Farm,  
Temple Newsam**

**Scrutiny Inquiry Report**



# Introduction and Scope

## Introduction

1. The Scrutiny Board (City Development) at its meeting on 8<sup>th</sup> March 2011 considered requests for scrutiny of the farming operations at Home Farm, Temple Newsam. The requests for scrutiny were from the Rare Breed Survival Trust, Rare Breeds International, the Shetland Cattle Breeders Association, the White Park Cattle Society and a number of individuals who feared for the future of Home Farm and the rare breed centre.
2. They were responding to the City Development Directorate's "Farming Operations Consultation" document which had been circulated in December 2010 to all key stakeholders and other interested parties. This stated that "savings" needed to be made at Home Farm, suggested ways this could be achieved and invited comments and alternative proposals.
3. At the Scrutiny Board meeting on 8<sup>th</sup> March 2011 Parks and Countryside officers reported that as a consequence of their consultation with key stakeholders several areas for further consideration had emerged as to how savings could be achieved without closing the farming operation.
4. It was reported that at the Council budget meeting in February 2011 it had been agreed that the operating budget of Home Farm, Temple Newsam would be reduced by £100k in 2010/11 but was left open to the City Development Directorate to determine how this should be achieved.
5. It was agreed at the Scrutiny Board meeting on 8<sup>th</sup> March 2011 to establish a time limited working group to consider

the outcome of the consultation and to submit a report and recommendations to the Scrutiny Board in May 2011 for consideration. It was also agreed that representatives from the Rare Breed Survival Trust and Rare Breeds International be invited to the meeting of the working group.

6. The working group's findings which are endorsed by full Scrutiny Board and recommendations are presented below.

## Scope of the Inquiry

7. The purpose of our inquiry was to identify areas of savings that would allow Home Farm to continue as a commercial working farm whilst also continuing as a visitor and rare breed centre.

## Anticipated Service Impact

8. We hope that the working group's findings, and the Scrutiny Board's recommendations, will have a positive impact on the service by maintaining Home Farm as a commercially viable operation whilst also maintaining the visitor and rare breed centres but at a reduced operating cost and maximising all available resources.
9. We also hope to see more Leeds schools considering using the Home Farm visitor centre as a resource for their pupils.

## 2 Review of Home Farm, Temple Newsam

Inquiry Report to be Published May 2011



# Conclusions and Recommendations

## Accounts of Home Farm

10. We were advised that whilst the livestock are a key part of the visitor attraction, the numbers on display at Home Farm only represent a small proportion of the total managed. Most farming operations are conducted either on a commercial basis or to sustain the rare breed herd. The result is a net cost to the Council of £347k each year.
11. We understand from the accounts presented to us that the true income and expenditure that is attributable to the management of Temple Newsam Farm and other external agricultural holdings held by Parks & Countryside (P & C) is at present spread across 5 separate cost centres which are listed in the table below. A full print out of these accounts was provided to us and these included total spending in the previous financial year, the budget for the 2010/11 financial year, and then spending against these same headings for this financial year.

### Cost Centres

<b>22144</b>	<b>Temple Newsam Farm Account</b>
<b>22149</b>	<b>Temple Newsam Estate Account</b>
<b>22148</b>	<b>Lotherton Hall Estate</b>
<b>22152</b>	<b>Temple Newsam Fees Account</b>
<b>22892</b>	<b>P &amp; C Financing Charges</b>

12. In addition to the account statements, a summary of each of the 5 costs centres were provided to us and is set out in appendix 1. This document clearly defines all applicable income and expenditure that can be attributed to the farming operations undertaken by Parks and Countryside. Furthermore, this

statement draws out those costs which are presently contained within the broader cost centres of Temple Newsam, Lotherton Hall and P & C Workshops.

13. The salient conclusions that we drew from analysing the information provided in appendix 1 are:
- The gross operating expenditure in 2009/10 was £563k of which staffing costs amounted to 60% of the total.
  - The net operating cost was £347k once overheads and income had been accounted for.
14. The table in appendix 2 summarises total farm income over the last 7 years.
15. We noted that when operating costs from the last financial year are considered against average income, the net operating cost would be reduced to £332.5k. Notwithstanding that, it should be noted that when considered over a longer time frame, a major source of income is received from paying visitors to the farm. Given that P & C has already sought to increase income by removing subsidised entrance fees to Temple Newsam Farm for Leeds card holders, where possible operating costs should be reduced to meet the revised budget figures.
16. What became clear to us during our discussions was that the accounts as presented were complicated and difficult to understand. Often it was unclear what percentage allocations had been included under the various cost centres and why. The reasons for the accounts being presented in this way were largely historic and include Lotherton Hall.

### 3 Review of Home Farm, Temple Newsam

Inquiry Report to be Published May 2011



# Conclusions and Recommendations

17. We strongly recommend that the accounts for Home Farm are simplified to show more readily income and expenditure for the farm and which excludes all other operations.

## **Recommendation 1**

**That the Acting Director of City Development ensure that the accounts for Home Farm are simplified to show more readily income and expenditure for the farm and which excludes all other operations.**

## Consultation Findings

18. A copy of the consultation document is attached as appendix 3. We were provided with a summary of the key findings from the consultation process, categorised under each consultee.

### **a) Temple Newsam Ward Members**

- Ward Members were unanimous in commending the value of the farm to their constituents and in emphasising the need to preserve and enhance the farm as a visitor attraction.
- Similarly, Members sought comfort that any proposal to reduce the volume of land farmed at Temple Newsam was not being driven by an aspiration to develop part of the estate.
- In light of the budget pressures, Members accepted that savings were inevitable and they desired comfort from officers that visitors to the farm and the wider estate

would not experience a diminished offer from their visit to Temple Newsam.

### **b) Rare Breed Survival Trust(RBST)**

- RBST would prefer the following breeds to be retained at Temple Newsam

**Cattle:** Vaynols, Gloucesters, Shetland

**Sheep:** Boreray (as rare as Vaynols), White Faced Woodlands, Norfolk Horns and Portlands

- RBST guidelines for a minimum breeding group size to be effective are five cows and 1 bull, and 15 ewes and 1 ram.
- RBST have also facilitated visits for officers to farm parks at both Sandwell Park and Tatton Park in order to obtain data and understanding to enable comparison between these successful farm parks and Home Farm, Temple Newsam.

### **c) Sandwell Farm and Tatton Farm**

- Both operate on a smaller scale in terms of livestock, land holdings and staff when considered in comparison to Temple Newsam.
- Farm staff undertake a visitor service function in addition to daily farming duties.
- Both seek to exploit voluntary labour to bolster and support specialist farm staff.

## **4 Review of Home Farm, Temple Newsam**



# Conclusions and Recommendations

- Both sites rely on hired support for fodder production.

## **d) Lineham Farm**

- The trustees at Lineham Farm have confirmed that they are comfortable with Leeds City Council no longer farming the land adjacent to the centre. Subsequently, both the management and the charity's trustees have confirmed their interest in extending the landholding to include land presently farmed by P & C.

## **e) Farm Management and Staff**

- Staff have identified areas in which they feel livestock numbers can be reduced.

## **f) Other Research**

- Some limited benchmark comparisons have been obtained with reference to the Farm Business Survey (backed by the Government Department responsible for agriculture). It should be noted that this survey is based on commercial farms and that Temple Newsam has a unique operational context with extra labour implications associated with the breed mix, so the benchmarking data is mainly a pointer for further investigation. From the data the following can be concluded:

◇ Machinery costs, cost of sales and income from external subsidy are all broadly comparable

◇ Sales per hectare are significantly lower, by a factor of 3 to 7 times

◇ Labour cost, whether per hectare or per £100 turnover, is higher by a factor of 15 to 25 times.

## **Visitor Attraction**

19. We take the view that Home Farm cannot be seen in isolation from the visitor and rare breed centres as they complement one another and work as a whole. The loss of the farm would inevitably reduce visitor numbers.
20. We felt strongly that part of the appeal of Home Farm was that people were visiting a working farm and not a petting farm that uses animals as displays.
21. We should seek to ensure that we maximise all grants and subsidies that are available.
22. We strongly oppose any proposal that would cease commercial farming operations as suggested in the Consultation Document.

### **Recommendation 2**

**That the Acting Director of City Development considers engaging a consultant to look specifically at**

**(i) how the farm could operate on a more commercial basis but integrated as a whole visitor experience rather than seeing the current visitor attraction in isolation from the farming operation.**

**(ii) maximising all grants and subsidies that are available for Home Farm.**



# Conclusions and Recommendations

## Farm Managers

23. It became clear to us during our discussions that the Farm Manager and his Deputy are not able to fully manage Home Farm because of the duties they are required to undertake at Whinmoor Farm, Lotherton Hall and Lineham Farm. We are not convinced that their costs are being charged properly to these operations and credited to the Home Farm accounts as income.
24. We would like to see the Farm Manager's key role being the commercial success of Home Farm and as an integrated visitor and rare breed centre.
25. We would also like the establishment of a clear business plan and defined terms of reference and objectives for Home Farm as a commercial activity but which integrates and enhances the visitor experience and conserves rare breeds. The Farm Manager and staff have considerable expertise but they do not run the Home Farm visitor attraction
26. We would also like officers from P & C to explore possibilities to engage in agro environmental schemes including higher level stewardship.

### Recommendation 3

**That the Acting Director of City Development identifies the Farm Manager's key role as the commercial success of Home Farm and its integration as a total visitor experience and that a business plan and timetable be developed to achieve this.**

## Staffing Costs

27. Clearly since staffing costs at Home Farm, whether per hectare or per £100 turnover, are higher by a factor of 15 to 25 times this is an area which should be reviewed. The net cost of farming operations is estimated at £347k, for which there are the equivalent of nearly 9 full-time staff employed. We recognise that Council employment terms and conditions present some difficulties with the nature of livestock farming due to the 24/7 nature of the job. As a result, staff costs contribute over 60% of the total expenditure.
28. We were advised that currently two members of staff were on long term sick leave and on half pay. As a consequence there are some savings in staffing costs which will contribute towards the necessary savings of £100,000. We suggest that as a consequence of the reduced staffing costs currently being implemented further adjustments need to be made rather than wholesale radical change.
29. However, we recognise that vacancies cannot be sustained in the long term and a review of staffing levels and duties needs to be undertaken.
30. We noted that Friends of Temple Newsam had expressed interest in helping at the farm. We would like to see the development of the use of volunteers at Home Farm Visitor Attraction to help reduce operating costs.





# Conclusions and Recommendations

## Recommendation 4

**That the Acting Director of City Development**

**(i) undertakes a review of the staffing levels and job descriptions at Home Farm to incorporate the Visitor Attraction.**

**(ii) considers how to attract volunteers to work at Home Farm and where they could best be used to reduce operating costs.**

## Stock & Land Management

31. We support a review of livestock numbers and mix of breeds as this will reduce the agricultural workload undertaken by farm staff and reduce the demand for winter feed and the subsequent cost associated with production.

32. We do not support the leasing out of any grazing land. The leasing of land and major events held at the estate could be in conflict. We strongly support an increase in land stewardship.

## Recommendation 5

**That the Acting Director of City Development, in conjunction with the Farm Manager and RBST, determines the land management, livestock numbers and mix of breeds for Home Farm and the visitor and rare breed centres which ensures the continued viability of Home Farm.**

## Temple Newsam Café

33. We take the view quite properly that the success of Temple Newsam Café is a direct consequence of visitors being attracted to Home Farm visitor and rare breed centres.

34. We therefore consider the profits made by Temple Newsam Café should be ring fenced for use by Home Farm and not simply allocated to the general rate fund.

## Recommendation 6

**That the Director of Resources ring fences the profits from Temple Newsam Café for use by Home Farm, Temple Newsam.**

## Visitor Entrance and Ticket Office

35. We strongly support a review of the visitor entrance arrangements at the farm to develop a more cost effective mode of operation whilst providing an improved visitor experience.

36. We would support the creation of a new shop at the farm entrance which would be used as an access point for the farm. This would provide an opportunity to close the small P & C run shop in the courtyard at Temple Newsam which would realise a saving of approximately £20,000.



# Conclusions and Recommendations

## Recommendation 7

**That the Acting Director of City Development undertakes a review of the visitors' entrance to the farm to identify a more cost effective and appropriate way for visitors to gain admission to the farm and which improves their overall visitor experience.**

## Visitor/Educational Experience

37. We would like to see greater promotion of Home Farm visitor and rare breed centres as one of the jewels of the city.
38. As part of the longer term plan for Home Farm we would like resources to facilitate an improved visitor/educational experience. This would also encourage schools to visit as part of their studies and a fee could be charged for this opportunity.

## Recommendation 8

**That the Acting Director of City Development**

**(i) considers how Home Farm and the visitor and rare breed centres can be better promoted to increase visitor numbers and income.**

**(ii) develops a long term strategy that would improve the educational experience of the centres and would encourage schools to participate and pay a fee for the experience.**

## Conclusion

39. We feel strongly that officers shall not simply take the easiest and quickest options to address the reduced budget for Home Farm.
40. We believe that in the short term the current savings in staffing costs are helping to reduce the anticipated shortfall and this gives a breathing space to reflect on a way forward. The approach should not be one of slash and burn as proposed in the consultation document but a measured approach to reduce costs and increase income.
41. We are impressed with all the work that goes on at the farm and hope that it can be developed to provide even greater experiences for visitors in the future especially the children of Leeds including those with additional needs.
42. We would like to conclude by thanking the officers, farm staff and representatives from the Rare Breed Survival Trust and Rare Breeds International for their advice, guidance and co-operation with our investigation





# Evidence

## **Monitoring arrangements**

Standard arrangements for monitoring the outcome of the Board's recommendations will apply.

The decision-makers to whom the recommendations are addressed will be asked to submit a formal response to the recommendations, including an action plan and timetable, normally within two months.

Following this the Scrutiny Board will determine any further detailed monitoring, over and above the standard quarterly monitoring of all scrutiny recommendations.

## **Members of the working group**

Councillor John Procter (Chair)  
Councillor Bernard Atha  
Councillor Judith Elliott

## **Reports and Publications Submitted**

Report of the Chief Recreation Officer

Farming Operations: Consultation Document

Financial Management Accounts – Temple Newsam

Financial Management Accounts – Temple Newsam Estate

Financial Management Accounts- Lotherton Hall Estate

Financial Management Accounts – Temple Newsam Farm Fees Account

Financial Management Accounts Financing Charges

Farm Cost Analysis

Submission by the Rare Breed Survival Trust

Submission by Rare Breed International



# Evidence

## **Witnesses Heard**

Mr Peter Titley, President of the Rare Breed Survival Trust

Mr Tim Brigstocke, Rare Breed Survival Trust

Mr Lawrence Alderson, Founder President, Rare Breeds International

Mr Sean Flesher, Head of Parks and Countryside

Mr David Bradley, Farm Manager, Home Farm, Temple Newsam

Mr Anthony Springwell, Senior Project Manager, Parks and Countryside

## **Dates of Scrutiny**

8<sup>th</sup> March 2011 Scrutiny Board ( City Development)

13<sup>th</sup> April 2011, Home Farm, Temple Newsam Working Group

17<sup>th</sup> May 2011 Scrutiny Board (City Development)



# APPENDIX 1

## Farm Cost Analysis

22144	Temple Newsam Farm Account
22149	Temple Newsam Estate Account
22148	Lotherton Hall Estate
22152	Temple Newsam Fees Account
22892	Appropriation Account

	22144	22149	22 148	22 152	22 892	TOTALS
	Actual 09/10	Actual 09/10	Actual 09/10	Actual 09/10	Actual 10/11	
<b>Staff</b>						
1 Basic Pay	£216,289	£0	£19,126	£35,921	£0	
4 Overtime	£32,098	£0	£0	£1,073	£0	
11 National Insurance	£18,850	£0	£3,736	£2,270	£0	
21 Superannuation (Non Teaching)	£28,409	£0	£0	£4,777	£0	
27 FRS17 Wypf Adjustment	£3,631	£0	£0	£611	£0	
Consultation Findings Adjustment	£16,202	£0	£6,859	£0	£0	
Sub Total	£275,813	£0	£16,003	£43,430	£0	£335,246
<b>Buildings</b>						
123 Gas	£155	£0	£0	£0	£0	
124 Electricity	£9,040	£0	£0	£0	£0	
125 Water Services	£593	£0	£0	£0	£0	
126 Removal Of Workplace Waste	£4,212	£0	£0	£0	£0	
129 Cleaning Agency Recharge	£1,848	£0	£0	£0	£0	
162 Premises Security Services	£0	£0	£0	£0	£0	
Sub Total	£15,538	£0	£0	£0	£0	£15,538



## APPENDIX 1

<b>Equipment and Materials</b>		<b>22144</b>	<b>22149</b>	<b>22 148</b>	<b>22 152</b>	<b>22 892</b>	<b>TOTALS</b>
		Actual 09/10	Actual 09/10	Actual 09/10	Actual 09/10	Actual 10/11	
203	Operational Furniture And Equipment	£8,092	£0	£0	£0	£0	
205	Operational Materials	£65,104	£0	£0	£0	£0	
213	Telephones	£637	£0	£0	£385	£0	
214	Computer Software & Equipment	£132	£0	£0	£0	£0	
226	Memberships	£353	£0	£0	£0	£0	
241	Clothing & Uniforms	£2,331	£0	£0	£0	£0	
255	Hospitality	£14	£0	£0	£0	£0	
262	Security Services non infra	£0	£0	£0			
Sub Total		£76,663	£0	£0	£385	£0	£77,048



# APPENDIX 1

Services		22144	22149	22 148	22 152	22 892	TOTALS
		Actual 09/10	Actual 09/10	Actual 09/10	Actual 09/10	Actual 10/11	
265	Other Hired And Contracted Services	£8,963	£0	£0	£2,093	£0	
	Sub Total	£8,963	£0	£0	£2,093	£0	£11,056
<b>Vehicles and machines</b>							
301	Vehicle maintenance	£0	£2,880	£3,247	£0	£0	
304	External Hire -Occasional	£0	£428	£0	£0	£0	
305	Plant Hire - By Directorate	£0	£185	£0	£0	£0	
311	Car & Motorcycle Allowances	£375	£0	£0	£0	£0	
313	External Hire Fleet Man	£0	£573	£0	£0	£0	
315	Hire Of Movable Plant & Machinery	£853	£11,201	£27,842	£0	£0	
317	Non Leasing Adjustments	£0	-£3,311	-£2,159	£0	£0	
321	Fuel (non LCC supplies)	£0	£13,405	£6,416	£0	£0	
322	Tyres	£0	£243	£0	£0	£0	
324	Miscellaneous Transport Related Costs	£14	£0	£225	£0	£0	
337	Leasing& Internal recharge	£0	£3,311	£4,409	£0	£0	
341	Repairs to LCC vehicles	£0	£5,019	£389	£0	£0	
342	Repair & Maintenance of Plant	£0	£219	£3,188	£0	£0	
344	Outside repairs	£0	£128	£2,509	£0	£0	
346	Plant Spares	£0	£1,447	£559	£0	£0	
	Sub Total	£1,242	£17,864	£34,969	£0	£0	£54,075



# APPENDIX 1

Central costs		22144	22149	22 148	22 152	22 892	TOTALS
		Actual 09/10	Actual 09/10	Actual 09/10	Actual 09/10	Actual 10/11	
410	Professional Legal Services Charges	£3	£0	£0	£0	£0	
442	Internal Reallocation Of Central Costs	£11,388	£0	£0	£0	£0	
444	Resources support service Charges	£17,082	£0	£0	£0	£0	
	Sub Total	£28,473	£0	£0	£0	£0	£28,473
677	Trf to cap reserve equip	£0	£0	£0	£0	£41,180	
	Sub Total	£0	£0	£0	£0	£41,180	£41,180
<b>Income</b>							
890	Internal Income Received By L & L	-£2,392	£0	£0	£0		
910	Grants - DEFRA	-£10,000	£0	£0	£0		
913	Sale Of Food & Drink	-£2	£0	£0	£0		
914	Other Sales	-£43,931	£0	£0	£0		
933	Admissions, Booking Fees & Ticket Sales	-£254	£0	£0	-£129,373		
934	Penalties, Fines & Car Parking Charges	-£148	£0	£0	£0		
973	Other Income	-£1,416	£0	£0	£0		
	Sub Total	-£58,143	£0	£0	-£129,373	£82,360	-£187,516
		<b>£348,549</b>	<b>£17,864</b>	<b>£50,972</b>	<b>-£83,465</b>	<b>£82,360</b>	<b>£375,100</b>

The above spreadsheet provides a summary of the current cost's and income associated with Temple Newsam Farm. As is evident, these costs are presently spread across 5 different accounts held by the Parks and Countryside Service. At present the Vehicle and Machinery costs for the farm are ambiguous with machinery, vehicle and plant costs attributable to the farm and its operations spread across 3 separate budgets 22148, 22149 and 22600. On that basis 50% of the costs associated with Vehicles and Machinery at Temple Newsam and 75% at Lotherton Hall have been apportioned to the farm. Actual spend against 26000 has been used as opposed to 2009/10 to reflect the fact that 2 new tractors were leased in 2010 for use on the farm. Furthermore staff costs also require clarification. Presently the Lotherton Hall account 22152 includes costs associated with a scale B3 tractor driver who's time is presently split between Temple Newsam and Lotherton Hall. It estimated by estate management that 70% of this costs is applicable to the farm.



## APPENDIX 2

**This table summarises total Home Farm income over the last 7 years**

	<b>2010/11 Actual to date</b>	<b>2009/10</b>	<b>2008/09</b>	<b>2007/08</b>	<b>2006/07</b>	<b>2005/06</b>	<b>2004/05</b>	<b>Average</b>
<b>22144</b> <b>Temple Newsam Farm Account</b>	£157,447	£58,143	£100,203	£72,372	£53,365	£81,733	£75,242	<b>£85,500</b>
<b>22152</b> <b>Temple Newsam Fees Account</b>	£120,757	£129,373	£115,339	£127,390	£114,952	£102,982	£109,759	<b>£117,224</b>
<b>Total</b>	£278,204	£187,516	£215,542	£199,762	£168,317	£184,715	£185,001	<b>£202,725</b>



## APPENDIX 3

### Farming Operations: Consultation

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#### **ABOUT THIS CONSULTATION**

Home Farm is the largest Rare Breeds Survival Trust approved farm in Europe. It has developed over many years and there are now over 500 livestock (mostly cattle and sheep), that utilise over 250 hectares of land centred around Temple Newsam Estate.

Whilst the livestock are a key part of the visitor attraction, the numbers on display at Home Farm only represent a small proportion of the total managed. Most farming operations are conducted either on a commercial basis or to sustain the rare breed herd. The result is a net cost to the Council of £366k each year.

Savings are needed, but the council believes that it will be possible to improve the quality of the visitor attraction at Home Farm and to reduce the level of public subsidy. This will only be possible by a planned approach to reducing the number of livestock and related managed land, and increasing the level of investment for the visitor attraction. It has provisionally identified 3 main approaches to achieving these aims:

- To reduce the number of cattle and sheep whilst displaying other animals including pigs, goats, donkeys and poultry enhance visitor interest in the attraction.
- To directly manage approximately 45 hectares of land around the visitor core of the estate to enable livestock for display purposes, and to support events and activities. Surplus land would be offered under grazing licences or under agricultural lease, but still remain in the ownership of the Council.
- To seek ways to improve the quality of the visitor attraction by reviewing the use of buildings currently used for large scale farming operations, and refocus resources around the visitor as part of an overall investment plan.

These proposals are based on evidence that is presented in this document. But there may be other options, and the detail also needs to be worked out. So before taking decisions, the council wants to open a discussion with staff, 'friends' group,





## APPENDIX 3

Rare Breeds Survival Trust and other interested parties to ensure that its plans are shaped to produce a strong and sustainable approach to Home Farm.

If you want to help shape future plans for Home Farm, please read this document and then let us have your views. You can feed your views back to us in the following ways:

- write to us at **Parks and Countryside, Farnley Hall, Hall Lane, Leeds LS12 5HA.**
- e-mail us at [parks@leeds.gov.uk](mailto:parks@leeds.gov.uk)



## APPENDIX 3

### **TIMESCALE**

The consultation period will close on **31<sup>st</sup> January 2011**. Following this, detailed proposals will be formulated for the final decision to be taken.

### **CURRENT PICTURE**

#### **Number of Livestock**

Home Farm is the largest Rare Breeds Survival Trust approved farm in Europe. As at July 2010 there were over 500 head of livestock, including 274 cattle, 168 sheep and 41 pigs. Stock management in the public areas currently does not match expectations of the visitor and is compromised by the needs of the commercial farming operation both in terms of time allocated and in the safe operation of large equipment. The visitor attraction is in need of further investment, without which Home Farm may struggle to compare with similar attractions in the area. The following is a snapshot of stock numbers and breeds for sheep and cattle as at July 2010:

<b>Sheep</b>	<b>Jul. 2010</b>
Norfolk Horn	35
White Faced Woodland	32
Kerry Hill	35
Portland	24
Boreray	24
Wensleydale	10
Hebridean	8
Dorset Horn	0
<b>TOTAL</b>	<b>168</b>

<b>Cattle</b>	<b>Jul. 2010</b>
Vaynol	38
Red Poll	53
B. Galloway	48
Kerry	0
Gloucester	28
White Park	10
Shetland	27
B. Shorthorn	34
Irish Moiled	36
<b>TOTAL</b>	<b>274</b>



## APPENDIX 3

### Land Holding

A relatively small number of livestock are made available for display in the farm visitor attraction. Land that is used for agricultural purposes associated with sustaining these livestock is as follows:

Location	Hectares
Temple Newsam	150
Lotherton Hall	35
Lineham Farm	48
Whinmoor	24
<b>Total</b>	<b>257</b>

### Cost and Comparisons

The net cost of farming operations is estimated at £366k, for which there are the equivalent of nearly 9 full-time staff employed. Council employment terms and conditions present some difficulties with the nature of livestock farming due to the 24/7 nature of the job. As a result, staff costs contribute over 70% of the total expenditure. The 2010/11 council budget has a target of £100k saving related to farming activities.

Some limited benchmark comparisons have been obtained with reference to the Farm Business Survey (backed by the Government Department responsible for agriculture). It should be noted that this survey is based on commercial farms and that Temple Newsam has a unique operational context with extra labour implications associated with the breed mix, so the benchmarking data is mainly a pointer for further investigation. From the data the following can be concluded:

- Machinery costs, cost of sales and income from external subsidy are all broadly comparable
- Sales per hectare are significantly lower, by a factor of 3 to 7 times
- Labour cost, whether per hectare or per £100 turnover, is higher by a factor of 15 to 25 times



## APPENDIX 3

### PROPOSAL

#### General

To cease all commercial farming operations with the exception of retaining approximately 45 hectares around the visitor core of the estate to enable livestock for display purposes, and to support events and activities. This would substantially reduce current grazing stock numbers to match the available land, whilst ensuring that the farm visitor attraction is sustained with further potential for improvements.

#### Stock Management

The mix of breeds will be based on those suitable for visitor display, and views are welcomed on how best this might be achieved. However, the proposal is to display a mix of cattle, sheep, pigs, goats, donkeys and poultry in Home Farm and to have cattle and sheep on display to the visitor on the land that forms the core of the estate. There will be a decrease in grazing animals (cattle and sheep) which make up the greatest proportion of overall livestock numbers that cannot be viewed either at Home Farm or the estate core.

#### Land Management

The Council view is that in general surplus land should either be leased to a tenant as a partnership agreement engaging environmental principles, or alternatively grazing licences. In order to be attractive to a tenant, a minimum amount of land would have to be available, and there may be an opportunity to resolve existing tenancy issues to the perimeter of the estate as part of this solution. It has been suggested that the proposed rental value would be in the region of £148/Ha. Proposals are now considered for each area of land currently used for agricultural activity.

**Temple Newsam.** Of the 150 hectares currently grazed and cropped for hay or silage the proposal would be to retain 45 hectares for grazing and a small grass crop. The land retained would be around the visitor core of the estate that serves a dual purpose for livestock and events. The balance of 105 hectares would include some land for events so could be managed in partnership with another farmer under a grazing licence. Remaining land mainly on the edge of the estate would be managed on an agricultural let, however, public access would continue to be maintained and enhanced through the network of advertised trails and rights of way.

**Lotherton Hall.** The 35 hectares at Lotherton would be retained as part of the estate to be managed as public access space, event sites and car parking. This will also provide an opportunity to remodel the estate around improvements to visitor experience.

#### 20 Review of Home Farm, Temple Newsam



## APPENDIX 3

**Lineham Farm.** The proposal would be to have commercial agricultural letting on this site. There are 48 hectares of land around Lineham farm which is currently farmed for grass crops. There is no animal grazing but the Royal Armouries do keep their jousting horses here when not required for shows, which could be relocated to Lotherton or Temple and thus add to the visitor experience there.

**Whinmoor.** The 24 hectares at Whinmoor would be managed by short to medium term grazing lets/licences. The landholding on this site will be required for a future cemetery and to accommodate both playing pitches and operational facilities such as the Nursery to allow the potential capital receipt from the Redhall site to be realised.

### Financial Implications

A reduction in land holdings and livestock numbers would mean a smaller workforce required for agricultural activities. Current staff costs are £247k and a reduction of nearly 4 full-time equivalent (FTE) staff would offer a saving of £112K per annum. Front line staff would be redeployed within the Parks and Countryside service. Reduced land holdings would also enable a reduction in machinery along with associated fuel and repair costs, at an annual saving of £41.5k.

The estimated financial benefits of this proposal are set out in the following table:

Summary	Current	Proposal	Difference
Staff Numbers	8.7 FTE	5 FTE	3.7 FTE
Main Livestock numbers	483	94	389
Land Holding	257Ha	45Ha	212Ha
	£	£	£
Income Subsidy	29,149	8,310	-20,839
Income rental	0	29,581	29,581
Animal Income	47,648	13,073	-34,575
<b>Total Income</b>	<b>76,797</b>	<b>50,964</b>	<b>-25,833</b>
Operating costs	442,535	284,204	158,331
<b>Net Cost</b>	<b>365,738</b>	<b>233,240</b>	<b>132,498</b>



## APPENDIX 3

Carrying out these proposals provide further opportunity to fund development opportunities for the large farm buildings which would no longer be need to store fodder. One example might be to create a play barn that could be run by a third party operator. There could also be potential for a future HLF funding bid for Temple Newsam Estate.

### **FARMING OPERATIONS - WHAT DO YOU THINK?**

Thank you for reading this document. Now please let us know what you think about the future of farming operations at Home Farm, Temple Newsam. We have set out above our current thoughts based on the information we have: but we believe that staff and organisations have a lot to add to our understanding of the issues and the way forward.

We are interested in your views in general, but the following questions may help:

1. **The current picture** - is there anything important missing from the description starting on page 2? Is it an accurate picture?
2. **Land management** – do you agreed with this proposal? Are there other viable alternatives that would not increase the liability to the Council?
3. **Stock management** – do you agree with this proposal? If the Council no longer directly manages many of the cattle and sheep, what alternative arrangements could be made?
4. **Thoughts on other improvements** – do you have views on how the visitor experience at Temple Newsam could be improved?

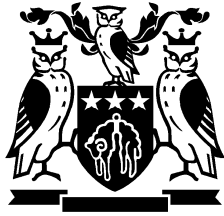
The closing date for consultation is **31st January 2011**. You can respond in the following ways:

- write to us at **Parks and Countryside, Farnley Hall, Hall Lane, Leeds LS12 5HA.**
- e-mail us at [parks@leeds.gov.uk](mailto:parks@leeds.gov.uk)



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## Report of the Head of Scrutiny and Member Development

### Scrutiny Board (City Development)

Date: 17<sup>th</sup> May 2011

Subject: Grants to Culture and Sport Related Organisations

#### Electoral Wards Affected: All

☐ Ward Members consulted  
(referred to in report)

#### Specific Implications For:

Equality and Diversity ☐

Community Cohesion ☐

Narrowing the Gap ☐

### 1.0 Introduction

- 1.1 The Scrutiny Board Grants to Culture and Sport Related Organisations Working Group last met on 14<sup>th</sup> February 2011 and a note of that meeting is attached together with the report of the Chief Libraries, Arts and Heritage Officer which was considered at that meeting for Members information and reference.
- 1.2 Members will note that the Working Group requested a further report once the position of West Yorkshire Grants became clearer.

### 2.0 Update on Grants to Cultural and Sport Related Organisations

- 2.1 A report of the Chief Libraries, Arts and Heritage Officer will be circulated updating Members on the current position with regard to West Yorkshire Grants and other related issues.

### 3.0 Recommendations

- 3.1 The Scrutiny Board is asked to
  - (i) receive the note of the Working Group meeting held on 14<sup>th</sup> February 2011 and the report of the Chief Libraries, Arts and Heritage Officer considered at that meeting.
  - (ii) note and comment on the report updating Members on the current position with regard to West Yorkshire Grants and other related issues.

#### Background Papers

None

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## **DRAFT**

### **Grants to Culture and Sport Related Organisations Working Group for Scrutiny Board (City Development)**

**Meeting held in the Civic Hall on  
14<sup>th</sup> February 2011 commencing at 3pm**

#### **Present**

Councillor J Procter (Chair)  
Councillor B P Atha  
Ms Barbara Woroncow (Co-opted member)

#### **Others in Attendance**

Ms Catherine Blanshard (CB) - Chief Libraries, Arts and Heritage Officer  
Ms Mags McLeary - Principal Arts Officer, Arts & Regeneration  
Mr Matthew Simms - Arts and Venues Manager  
Richard Mills - Principal Scrutiny Adviser

#### **1.0 Note of the Last Meeting**

#### **Action**

- 1.1 Members agreed the note of the last meeting of the Working Group held on 18<sup>th</sup> November 2010.

#### **2.0 Report of the Chief Libraries, Arts and Heritage Officer**

- 2.1 Members considered a report of the Chief Officer which gave an outline of the developing position with West Yorkshire Grants, Leeds City Council grant proposals and further detail on other support the Council gives to various organisations.
- 2.2 A copy of a spreadsheet was tabled providing details of the proposed grants to be made to culture and sport related organisations in 2011/12 showing:
- The loss of Arts Council grant 2011/12
  - Potential West Yorkshire Grant loss
  - Recommended 6 -15% Council reduction
  - Overall potential loss to organisations
- 2.3 The Working Group discussed and commented on the report and spreadsheet under the following headings:
- West Yorkshire Grants
  - The Arts Council
  - Leeds City Council grants
  - Council support to the festivals and other organisations other than through grants
  - Member involvement in grant funded organisations

3.0	Specific Comments, Proposals and Further Information Requested	Action
3.1	A Member thought that there appeared to be an imbalance in the report between the arts and sport grants and officers responded referring to changes made over the last two years and Liverpool Council which provides a useful model in this regard.	
3.2	A Member expressed the view that whilst grants are about supporting large and small organisations in times of economic constraint emphasis should be on continuing to support those small organisations that would not survive if grants were reduced or stopped altogether.	
3.2	It was suggested that the Council should be placing greater emphasis on encouraging apprenticeships by applying grant conditions whenever possible. Officers responded that this perhaps needed doing more overtly than is currently the practice and agreed to include this in the grant requirements.	CB
3.3	Clarification was sought regarding the Council's payment in 2010/11 of £379,917 to West Yorkshire Grants, how this is calculated and the element that is allocated from this to the Arts Council. The Chief Officer was asked to seek clarification from the Chief officer (Financial Management) and the Assistant Chief Executive (Planning, Policy and Improvement) on this issue and report back to this Working Group.	CB
3.4	That in view of the reduced funds that will be available for grants in 2011/12 it was suggested that applications should be made less complicated and that the Council should actively go out and encourage bids that it could support rather than raising organisations expectations by sending out application forms knowing they had little or no chance of success.	CB
3.5	That organisations should secure funding over at least a three year period rather than the usual 12 months. It was suggested that initially the commitment may have to be for a two year period until available funds become secured. It was agreed that at the next Working Group meeting the Chief Officer bring forward an options paper on 2 to 3 year funding for Council grants.	CB
3.6	Members supported the proposals outlined in paragraph 7.0 of the Chief Officers report concerning the criteria and conditions for Member representation on grant funded organisations.	
3.7	A Member stressed the importance of training which often gets cut to support the core business of organisations in times of economic constraint.	
3.8	That the Working Group meets again once the position of West Yorkshire Grants becomes clearer.	CB/RM

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**Report of the Chief Libraries, Arts and Heritage Officer**

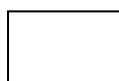
**Scrutiny Board Working Group**

**Date: 14<sup>th</sup> February 2011**

**Subject: Grants to Cultural Organisations - Working Group Paper**

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**Electoral Wards Affected:**



Ward Members consulted  
(referred to in report)

**Specific Implications For:**

Equality and Diversity ☐

Community Cohesion ☐

Narrowing the Gap ☐

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**1.0 Purpose of Report**

To outline the developing position with West Yorkshire Grants, Leeds City Council grant proposals and give more detail on other support Leeds City Council gives organisations.

**2.0 West Yorkshire Grants**

Since the last meeting the position with West Yorkshire Grants has changed significantly. The Leaders and Chief Executives of West Yorkshire have been discussing a wide range of options in terms of the overall West Yorkshire funding streams. The 'Arts' Grants fell into this discussion and they have looked at everything from ceasing completely through to a phased withdrawal.

This has most significant impact on Leeds as for every £1 Leeds City Council puts into the budget, organisations in Leeds receive £2. This is very different for other authorities, one of whom contributes £290K to get £50K into their arts organisations. The regional work our companies do and the fact that their local people come to Leeds to enjoy the work of these companies has been lost somewhat in the budget challenges authorities face. It is understood Leeds' representatives consistently reminded the meetings of these facts.

The current proposal is:

- Opera North, Northern Ballet and West Yorkshire Playhouse grants will be cut 15% for 2011 and cease from 2012.
- Grant to Citizens Advice will be cut from 2011

- Grants to other organisations will be cut by 10% in 2011 and cease in 2012.

Leeds City Council will consider the changes West Yorkshire Grants are proposing in the context of all of the Council's grants.

### **3.0 Arts Council**

The Arts Council announced a 6.9% reduction in its grant funding in 2011\12 and a complete review for future years. It asked for bids for a three year funding programme to be submitted by late January 2011. This will mean the funding of some organisations may grow while others cease. They aim to announce their results by the end of March 2011, which will give companies four years of funding certainty from ACE.

They also announced a grant of £1.4m to West Yorkshire Playhouse for a two year programme to review their organisation and management and to help them to build a sustainable future by trialing new ways of working.

### **4.0 Leeds City Council Grants**

Like all other budgets, savings are being sought on the Council's grant scheme. The scheme has run for many years and although there is a robust bidding and assessment process, it is difficult for organisations to bid for new activity support or for new organisations to be supported. It has also been difficult for the City to commission activity relevant to its priorities.

In deciding grant levels for 2011\12, the following has been taken into consideration.

- The strength of the organisation to find alternative funding or manage the budget reductions.
- Other cuts the organisations are faced with.
- The creation of a new grant fund open to all targeted at specific highly visible and inclusive activity for all.
- The desire to support smaller local organisations and to increase their profile.
- The desire to move to two or three year funding arrangements to enable greater sustainability for the organisations.

It has therefore been proposed to reduce grants currently over £150,000 by 15%, grants between £50K and £149K by 12%, grants between £5K and £49K by 7%. The annual small grant pot will stay about the same but no grant will be allocated that is less than £1,000. This proposal is part of the current budget discussions.

### **5.0 Council support to the Festivals other than through the Grants:**

At the last meeting, the Working Group requested further information on the other support Leeds City Council gives organisations. Of specific interest was Leeds Carnival.

City Development also pay for a range of services but this funding is not given to the organisers nor is it in their control.

### **Carnival**

○ Park staff costs for the Carnival	11,940
○ Refuse skips	1,800
○ Rent	7,000
○ Rent Maintenance	9,000
○ Equipment and Materials	4,790
○ Health & safety consultancy	3,750
○ Security costs	5,000
○ Hired services – mainly electrical distribution, marquee hire, PAs, toilets, staging	36,420
○ Medical fees	9,550
○ Transport costs including floats	9,700
○ Highway costs, road closure, etc.	3,490
○ Carnival Queen event	30,000

### **Reggae Concert**

○ F&E	310
○ Operational materials	680
○ Clothing	820
○ H & S Consultancy	3,860
○ Hired and contracted services	60,530
○ Publicity	1,550
○ Bought in services	6,480
○ Parks staff costs	11,750

## **Irish Festival**

In 2010\11 Leeds grant funded the Irish Festival organisers £17,871. Since the event has moved to the Stadium, Sport have supported the event with £38,897 of in kind work for which they have no budget. In the current financial climate this is untenable and options for the way forward will be discussed with the organisers.

## **Asian Festival (previous called Mela)**

In 2010\11 Leeds grant funded the Asian Festival organisers £33,428.

Parks and Countryside have supported the event with £6,569 of in kind work for which they have no budget, to support the clear up after the event.

All Leeds City Council budgets are under review as part of the Council's budgetary challenge.

## **6.0 Other Support**

Leeds City Council supports a wide range of other organisations through arrangements made in the past. The most common is providing peppercorn rents for Leeds City Council owned premises, particularly where the organisation and Council worked together in redeveloping the venues. These include Northern Ballet, Opera North.

For the larger organisations they give the Council 40 days free access in return which we work with smaller organisations to occupy or Leeds City Council puts on children and family focused arts events.

Work is still going on in Asset Management to identify other such arrangements.

## **7.0 Member Involvement in Grant Funded Organisations**

This was discussed by Member Management Committee on 12<sup>th</sup> January 2011 and the following proposals were agreed.

- All organisations that receive a grant from the Council of £500,000 and over should offer 3 seats on their Board to Leeds City Councillors.
- All organisations that receive a grant from the Council of between £499,000 and £100,000 should offer 2 seats on their Board to Leeds City Councillors.
- All organizations that receive a grant of less than £100,000 but are nonetheless judged to have a significant impact on one or more wards should offer a minimum of 1 seats on their Board.
- Consideration will be given however where the board would not be able to cope with the addition of this number of members. Councillors already on Boards in a personal capacity will be considered as a 'Council seat'.

## **8.0 Recommendations**

8.1 To discuss issues raised by this paper.





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Originator: R L Mills

Tel:2474557

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## Report of the Head of Scrutiny and Member Development

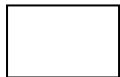
### Scrutiny Board (City Development)

Date: 17<sup>th</sup> May 2011

### Subject: Inquiry to Review the Future of Kirkgate Market – Draft Final Report & Recommendations

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#### Electoral Wards Affected: All



Ward Members consulted  
(referred to in report)

#### Specific Implications For:

Equality and Diversity

☐

Community Cohesion

☐

Narrowing the Gap

☐

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## 1.0 Introduction

- 1.1 Scrutiny Board (City Development) has now completed its inquiry to review the future of Kirkgate Market. The Board is now in a position to report on its findings and its conclusions and recommendations resulting from the evidence gathered.
- 1.2 A copy of the draft final report along with a summary of the evidence considered during the inquiry is attached for members consideration.

## 2.0 Consultation

- 2.1 Scrutiny Board Procedure Rule 14.2 states that "where a Scrutiny Board is considering making specific recommendations it shall invite advice from the appropriate Director(s) prior to finalising its recommendations. The detail of that advice shall be reported to the Scrutiny Board and considered before the report is finalised. The Director shall consult with the appropriate Executive Member before providing any such advice."
- 2.2 The Acting Director of City Development has been consulted and his advice and comments are attached for consideration of the Board meeting today.

### **3.0 Recommendations**

3.1 The Board is requested to:-

- (i) Agree the Board's final report and recommendations.
- (ii) Request that a formal response to the recommendations is produced in line with normal procedures for scrutiny inquiry reports as set out in Scrutiny Procedure Rule 15.1.

**Report of Acting Director of City Development**

**Report to City Development Scrutiny Board**

**Date: 17 May 2011**

**Subject: Kirkgate Market**

**Report author: C Follin**

**Contact telephone number: 24 74471**

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**Does the report contain information which has been identified as confidential or exempt?**

☐ **Yes** (if exempt, please see the public interest test in section 4)  
Relevant section of the report:  
In accordance with Access to Information Procedure Rule:

☒ **No**, this report does not contain information identified as confidential or exempt.

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**Is the decision eligible for call-in?**    ☐ **Yes**            ☐ **No – exempt**            ☒ **Not applicable**

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**Summary of main issues and corporate governance considerations**

1. The report provides a response to Scrutiny Board's Inquiry into Kirkgate Market.

**Recommendations**

**1 Purpose of this report**

1.1 That Scrutiny Board considers this response alongside their Inquiry into Kirkgate Market.

**2 Background information**

2.1 The report is drafted to be read in conjunction Review of the Future of Kirkgate Market – Scrutiny Board Inquiry.

2.2 The following text responds to the draft recommendations of the Scrutiny Board Inquiry.

**3 Main issues**

**Response to Scrutiny Board draft recommendations of its Inquiry into Kirkgate Markets.**

**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.

**Response** It is proposed that a further consideration of ownership and management models is undertaken. Specifically to see how models would enable significant additional investment in the market and result in faster decision-making. The Director agrees that it is important that the Markets Manager is allowed to get on with the day to day operation of all the markets.

### **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.

**Response** Officers recommend that further work is undertaken to establish the viability and cost effectiveness of reducing the size of Kirkgate Market, whilst ensuring that any works that are essential on health and safety grounds are undertaken and that imminent and essential works continue as planned to the 1904 and 1875 buildings.

### **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.

**Response** It is proposed to explore this further to assess the feasibility of ring-fencing a 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.

### **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.

**Response** A review is on-going although it should be noted that the ‘10%’ scheme has been discontinued and those on the scheme are now being phased up to full rent. Existing traders who are in difficulties and request assistance are offered a range of alternative schemes. Furthermore in order to manage the space effectively, markets management needs to have flexibility to offer terms and conditions which reflect a range of factors such as the level of investment by the incoming tenant; lead-in time; length of lease and whether the offer meets our target strategy. The same applies to existing tenants who take on additional units. However these agreements are and must remain, confidential.

### **Recommendation 5**

That the Acting Director of City Development:

- (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.

**Response:** Agreed. This is undertaken every year when setting the Service Charge.

- (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.

**Response:** Agreed in principle. The feasibility and cost effectiveness of this will be explored and proposals brought forward on how best to put this in place.

### **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.

**Response:** Agreed. This is being undertaken.

### **Recommendation 7**

That the Acting Director of City Development work with the traders to

- (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
- (ii) make a greater investment in promoting Kirkgate Market.

**Response** Measures currently being undertaken to win back footfall include:

- the new website at [www.leedsmarkets.co.uk](http://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 July 2010 and this presence will be increased in 2011; likewise in the 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 LMU are undertaking feasibility work into a 'shop and drop' scheme to encourage early morning purchases from customers on the way to work;
- 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 now 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 'Borough Market of the North' in respect of quality and variety of food. Their campaign includes food demonstrations, links with food experts and chefs, a permanent presence in Kirkgate market and a range of events and promotions aimed at food connoisseurs;
- the cost of additional space in front of stalls (Yellow Line areas) was reduced by 50% in 2010 and a new initiative allows traders who do not have a 'yellow line' to trial one free of charge for 3 months to see if it improves turnover;
- the Local Enterprise Growth Initiative, How Bazaar allows new artisans to market test their product at low risk in the market. Several of these have gone on to be successful businesses and the project has now engaged with LMU to extend this initiative;
- Wednesday all day opening is supported with free car parking for Wednesday afternoon market customers.

These initiatives are already having a positive impact on footfall which has been steady at around -3% on 2010 figures, which compares very favourably with Leeds city centre. Since the start of April 2011, however, footfall has *exceeded* the 2010 figure by as much as 8%. Likewise, voids at the end of period 12 2010/11 represent 14.22% of total available (18.88% including those on the former assisted rental scheme which will be phased out in 2011).

Some traders are beginning to invest more in promoting their businesses and the market but the majority do not.

### **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.

**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 often 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.

In relation to the 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 is important in retaining customers for that business, especially early on after assignment. What we aim to eliminate are tatty or temporary signs so now whenever tenants apply for a change to their lease in any way, we insist on appropriate signage which complies with our guidelines as a condition of the variation.

### **Recommendation 9**

That the Acting Director of City Development introduce 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 Scrutiny Board on a regular basis.

**Response** Agreed. Performance measures will be finalised by the proposed project team but will include measures of footfall, occupancy levels and income generation which are currently available.

#### **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.

**Response** Agreed. This is currently being undertaken.

#### **Recommendation 11**

That the Acting Director of City Development ensure that officers keep traders apprised of progress with regard to the Eastgate Development and that the developers Hammersons and John Lewis be asked to meet with market trader representatives on a regular basis to explain their proposals and hear the traders concerns.

**Response** Officers are already keeping traders apprised and will continue to do so through a variety of means; in addition public consultation events and a formal meeting between tenant representatives and Hammersons have been held and officers will ask Hammersons to maintain a proactive dialogue with Traders through the development process.

#### **Recommendation 12**

That the Acting Director of City Development provide a copy of the Market Strategy on publication to the relevant Scrutiny Board for consideration and comment.

**Response** Agreed.

### **4 Corporate governance considerations**

4.1 N/A as

### **5 Recommendations**

5.1 City Development Scrutiny Board is asked to consider this response alongside the Inquiry into Kirkgate Market.

### **6 Background documents**

6.1 Review of the Future of Kirkgate Market - Scrutiny Board Inquiry.

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**DRAFT - 27<sup>th</sup> April 2011**

# **Review of the Future of Kirkgate Market**

## **Scrutiny Inquiry Report**



# Introduction and Scope

## Introduction

1. At our meeting in June 2010 we agreed to undertake an inquiry to review the future of Kirkgate Market. We were subsequently advised that the Executive Board was to consider a draft market strategy at its meeting on 13<sup>th</sup> October 2010. It was proposed that Scrutiny Board (City Development) be invited to comment on the draft strategy in September prior to this being considered by Executive Board. We agreed this approach.
  2. In the meantime we arranged for Members of the Board to visit Kirkgate Market in late August 2010 to meet some of the market traders and be briefed by the Head of City Centre and Markets on the key issues of concern at the market.
  3. We were then advised that the market strategy report would be delayed and that it would not be presented to the Executive Board until November and we would be asked to comment at our meeting in October 2010.
  4. The markets strategy did not materialise again at our meeting in October 2010 and we agreed to proceed with our inquiry and approved terms of reference for our investigation.
  5. At the time of writing this report; the market traders and ourselves are still waiting publication of any draft strategy for the market a delay of over six months.
  6. The context of and drivers for the inquiry are:
    - The deputation to Council on 21<sup>st</sup> April 2010 from the Kirkgate Market branch of the National Market Traders Federation (NMTF) expressing a range of concerns and seeking the appointment of an experienced Markets Manager, a rent reduction, a reduction in parking charges and immediate reinvestment.
  7. It is considered that the scrutiny focus is timely and provides an opportunity to consider all the options available for the future of Kirkgate Market and to make recommendations to the Executive Board on this issue.
  8. We are very grateful to everyone
- The subsequent report and decision of the Executive Board on 22<sup>nd</sup> June to address some of the concerns expressed by the NMTF.
  - The decision of the Executive Board to ask for a condition survey of Kirkgate Market and the capital investment that will be required over the short, medium and long term.
  - The Government's announcement to cut funding to local authorities and the pressures this will place on all services necessitating a fundamental review of all services provided by the Council.
  - Members own experience of the strengths and weaknesses of Kirkgate Market.
  - The renewed emphasis to achieve "Value for Money."
  - The need to establish the views and opinions of shoppers, traders and ratepayers on how they would like to see Kirkgate Market develop and how this should be done.



# Introduction and Scope

who gave their time to participate in this inquiry and for their commitment in helping us to understand and review this matter.

## Scope of the Inquiry

9. The scope of the inquiry was to

- identify the economic and social benefits of Kirkgate Market, the current issues and financial position of the market.
- consider the results of the condition survey of Kirkgate Market, the capital investment required in the short, medium and long term and the options available to the Council concerning the future of the market.
- contribute to the development of strategy and action plan for Kirkgate Market.
- contribute to the development of a strong marketing strategy for Kirkgate Market.
- consider the outcome of the independent rent review.
- what resources and other support would be required to implement any improvements identified.

## Anticipated Service Impact

10. We hope that the Scrutiny Board has contributed to better understanding of the key issues facing Kirkgate Market at this critical time. We have made a number of suggestions and recommendations to the Executive Board which we believe if implemented, would contribute significantly to developing a strategy for Kirkgate Market that would build on its success and enable shoppers to continue to experience this unique shopping location for many years to come.



# Conclusions and Recommendations

## Some Facts and Figures

11. We were advised that

- there are a total of over 600 tenants/traders at our markets city wide.
- Kirkgate Market alone generates direct employment for about 2,000 people, not including suppliers, delivery companies, etc.
- In 2009 Kirkgate indoor market had about 10 million visitors, or 180,000 per week. Ten year ago there were about 12m visitors. This reduction which is a national phenomenon at traditional markets is part of a worrying downward trend which has only been bucked by increasing footfall on Wednesdays following the opening of a new specialist Asian themed outdoor market.
- Kirkgate indoor market is one of the largest in Europe.
- In 2010/11 projected income is approximately £4.2m. Expenditure and other charges amounts to £2.1m, leaving £2.1m to support the Council's budget.

## Management and Ownership Models

12. Markets are unique in retail and wholesale trading terms in that they are still predominantly managed by the public sector; 669 (60%) of traditional markets across the country are run by

the public sector, although 321 (29%) are now run by the private sector.<sup>1</sup>

13. There are currently three common forms of market management in the UK: local authority run markets; privately operated markets; and markets run in some form of partnership such as a joint venture, or contracted out operational management. There are also a number of models, which are not currently common, but offer scope for the future. These are: trader-operated markets; social enterprise operated markets; markets run by an arms-length company; and sharing management between a number of local authorities.<sup>2</sup> The prevalence of these models is listed below:

### (i) Local Authority.

The majority of markets, like Kirkgate Market, are still directly provided and managed by local authorities. This model offers the advantage of accountability, linking markets to wider policy strategic goals, and by understanding the 'public good' that markets provide. The surplus generated by successful markets are generally taken by the local authority and used to support other service provision within the authority, which can be at the cost of further reinvestment in markets in general.<sup>3</sup> Bradford City Council recently agreed to ringfence the surplus of the market for reinvestment, something which Leeds City Council has also previously done. As indicated to Scrutiny previously, the current annual surplus is £2.1m.

### (ii) Private

Many markets are operated directly by the private sector, either licensed by the local authority under its market rights,

<sup>1</sup> 'Markets 21', 2010, The Retail Markets Alliance.

<sup>2</sup> 'Markets 21', 2010, The Retail Markets Alliance.

<sup>3</sup> 'Markets 21', 2010, The Retail Markets Alliance.



# Conclusions and Recommendations

with their own charter rights, or in some instances, completely outside the licensing framework. This model offers the advantage of faster, streamlined decision making, an increased focus on the core business, and the opportunity for directly raising investment capital. For example, Town & Country Markets Limited is a 100% owned operating subsidiary of Wellington Market Company and is the leading private sector retail market operator in the United Kingdom. Currently it operates markets at 35 locations throughout England and Wales from its own freehold premises, leasehold premises and licensed locations providing around 5000 stalls each week, at markets from Aldershot to **Morley** through to Worthing. The company offers money back on faulty goods and holds regular events and competitions etc to draw in customers.

## **(iii) Partnerships**

These can range from the local authority retaining the strategic management of its markets but outsourcing the operational management, to a formal medium to long-term joint venture between the public and private sector. These models are useful where the local authority lacks the in-house resources to effectively manage and promote the markets, and/or where external capital investment is required. Geraud Markets UK Ltd has worked in partnership with local authorities over an extended period of time to develop, expand and invest in markets. The company currently runs markets on behalf of Liverpool City Council, Allerdale Borough Council, South Derbyshire District Council, Clevedon Town Council, Ipswich City Council and New Covent Garden Sunday market. Geraud Markets Liverpool Ltd is the biggest and probably the best example of Public

Private Sector Partnerships. Geraud Markets Liverpool Ltd in partnership with Liverpool City Council runs over 1,200 regular market days each year. In addition to this there are over 100 Speciality Event Market days, providing residents and tourists with access to choice, value and quality.

## **(iv) Traders**

There are a number of traditional street markets and farmers' markets that are directly managed by the traders themselves. This offers the advantage of reduced bureaucracy and costs, and an increased sense of 'ownership' by the traders. However these are only operated as street markets and therefore are not comparable to a large scale indoor market like Kirkgate. This may be a useful model for the fortnightly Farmers' Market at Kirkgate outdoor market.

## **(v) Trust**

Borough Market – the only fully independent market in London – is owned by a charitable trust, the Borough Market (Southwark) Trust, run by a board of volunteer trustees. According to the formal objectives laid out in its Charity Commission registration, the trust's commitments are to provide a market as a public amenity and, once a year, to pass any surplus to the London Borough of Southwark for the benefit of residents in the parish of St Saviour's. In addition to these registered objectives, the trust has extended its formal charitable commitments to include running community events, providing food related health education and contributing to local community projects and schemes. This model does not enable the raising of significant capital investment.



# Conclusions and Recommendations

## (vi) Arms length

In 2008, Glasgow City Council became the first UK local authority to establish its markets as an arms-length limited liability partnership (LLP). This model offers the advantage of more responsive, streamlined decision making; an increased focus on the core business, and the opportunity for directly raising investment capital. City Markets (Glasgow) LLP are responsible for the overall management of the market, for property maintenance, cleaning, refuse removal and security. The profits generated by the markets are ploughed directly back into the markets.

## Prevalence of Models

The prevalence of these models is listed below for the UK:

Public Sector	<b>669</b>
Private Sector	<b>321</b>
Privately Managed for the Public sector	<b>91</b>
Public Sector Partnership	<b>2</b>
Public Private Partnership	<b>10</b>
Charity	<b>1</b>
Community Association/other	<b>4</b>
Cooperation	<b>19</b>
Membership	<b>3</b>

14. We heard from the Acting Director of City Development who had met representatives of the Leeds Branch of the National Markets Federation (NMTF) and Friends of Kirkgate Market (FoKM) to discuss the ownership and management options available. We were advised that a range of views were expressed and there was no single preferred option by those present. The views expressed were those of the

individuals rather than the traders generally.

15. We noted that the Markets Alliance has identified several critical success factors for retail markets: Critical mass; Good management; Accessibility & permeability; Marketing & PR; Safety & security; Integration with surrounding retail offer and community; and Partnership working.<sup>4</sup>
16. We believe that the advantages of Kirkgate Market remaining with the local authority in particular accountability, linking markets to wider policy strategic goals, and understanding the 'public good' that markets provide outweigh those of any other available options. However, it is important that the following conditions are met:
- That the Markets Manager needs to be allowed to get on with the day to operation of Kirkgate Market
  - That management and traders need to be able to react quickly to changing market circumstances
  - That the Markets Forum established by the current administration needs to be strengthened in our view to give a greater say to traders and for it to become a Management Committee rather than a forum for discussion
  - We recognise that approximately half the traders are Members of the National Market Traders Federation or the Friends of Kirkgate Market the rest are individual traders who should be represented on the Management Committee

<sup>4</sup> 'Markets 21', 2009, The Retail Markets Alliance.





# Conclusions and Recommendations

- The Council's inability to respond quickly to market conditions may be a significant contributory factor in the operation of the market..

## 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.**

## Condition of Kirkgate Market Buildings and Investment by the Council

17. We were advised that the indoor market covers four distinct sections - the 1904, 1875, 1976 and 1981 sections. We were informed that between 1992 -2000 the Council invested £12m in Kirkgate Market. Works included the refurbishment of the open market, the 1875/1904 markets, the relocation of the fish market and installation of CCTV. In the last ten years it has spent £1.4m on:

- New toilets £600k
- Automatic doors £100k
- new floor in 1976/81 £230k

- vacant stall improvements £150k
- cleaning / plant purchase £130k
- Installation of safety line system, 1904 roof £118k
- 1976/81 circulation improvements £55k
- Installation of free cash machine
- Improved recycling facilities – Kirkgate market now recycles a higher % of its waste than any other council building.

18. In addition, ongoing routine, planned and reactive maintenance is undertaken each year throughout the indoor market.
19. We examined in detail both the survey and condition report for the 1875 -1904 Kirkgate Market and the Market Hall built in two sections in 1976 and 1981 to replace the 19<sup>th</sup> Century blockshops destroyed by the fire.
20. We were informed that the 1875 building underwent its last major refurbishment in 1995. At that time a full roof refurbishment and replacement of paving with York stone paving was undertaken. The 1904 building underwent a major refurbishment in 1992. Works included redecorations and roof refurbishment
21. In order to comply with current legislation and to bring the 1875 - 1904 building and its facilities up to a good standard the survey states that certain works need to be undertaken. The following recommendations are given together with their budget costing including approximate professional fees



# Conclusions and Recommendations

but excluding VAT. Professional fees are based on an estimated cost of 17%.

## Recommendations and Budget Costing (1875 and 1904 buildings) - Executive Summary

Work Required	Imminent	Essential	Desirable
Wind & weather tight items	£0	£60,500	£17,500*
DDA Upgrades	£0	Refer to DDA report	£0
Asbestos removal works	£0	£0	£1,000*
Building works	£0	36,200	£166,000*
Electrical Services	£100,000	£47,000	£0*
Mechanical Services	£240,000	£184,000	£0
<b>Totals in summary</b>	<b>£340,000</b>	<b>£327,700</b>	<b>£184,500</b>
<b>With Professional fees</b>	<b>£397,800</b>	<b>£383,409</b>	<b>£215,865</b>

\*plus long term weather tight costs of £20,000, asbestos £1,500, Building works £106,000 and electrical services £1,000 = £128,500 plus fees = £150,345

22. If the 1875/1904 building is maintained at a possible cost of £1,147,419 we are told the building could go on to last a further 100 years. However, if the building is not maintained, deterioration will accelerate resulting in an estimated asset life of approximately 20 years.
23. The 1976/81 structures were erected as temporary buildings following the market fire in 1975. Both buildings have now exceeded the fifteen to twenty year life expectancy for buildings of this type. Kirkgate Market now has a range of maintenance requirements, the extent of which means that 'doing nothing' is not a viable option. For example a

significant and essential requirement is to strip and recover the 1976/81 roof – not to do this work will continue to result in periodic water ingress into the market which will continue to impact negatively on customer footfall.

24. In order to comply with current legislation and to bring the 1976/81 building and its facilities up to a good standard the survey states that certain works need to be undertaken. In addition it says the building is at a stage where it requires substantial amount of investment. In particular the roof requires a major overhaul to achieve water tightness and drainage problems need investigating and addressing if feasible. The following recommendations are given together with their budget costing including approximate professional fees but excluding VAT. Professional fees are based on an estimated cost of 17%.

## Recommendations and Budget Costing 1976/81 Temporary Buildings - Executive Summary

Work Required	Imminent	Essential	Desirable
Wind & weather tight items	£0	£579,000	£20,000
DDA Upgrades	£0	£0	£1,200
Asbestos removal works	£0	£0	£2,000
Building works	£0	£33,800	£84,200*
Electrical Services	£41,000	£0	£0
Mechanical Services	£200,000	£27,000	£0
<b>Totals in summary</b>	<b>£241,000</b>	<b>£639,800</b>	<b>£107,200</b>
<b>With Professional fees</b>	<b>£281,970</b>	<b>£748,566</b>	<b>£125,424</b>



# Conclusions and Recommendations

\*plus long term building works of  
**£125,000 plus fees £146,250**

25. If this work is carried out at a cost of over £1M the survey reports state that the building could go on to last for a further 20 - 30 years. However, if left in its present state, deterioration will accelerate over coming years, resulting in an estimated asset life of 6 -10 years.
26. We are of the view that because of the results of the two condition surveys, the national retail picture, lower occupancy rates, and reducing footfall discussed later in our report that we need to give serious consideration as to whether the Council can sustain a market that is the largest in Europe. Biggest is not always best.
27. A difficult judgement needs to be made as to how much the Council can afford or is prepared to spend on refurbishment of the buildings particularly those temporary structures erected in 1976 and 1981 which have a limited life expectancy. These buildings are difficult and expensive to heat because of the very high roofs. The buildings are cold in winter and extremely hot in summer.
28. We also note that the majority of the necessary maintenance work will have little if any impact on consumer perceptions and impact.
29. It is important that the level and quality of retailing in Leeds City Centre including Kirkgate Market enables it to act as a regional anchor.<sup>5</sup> It is also essential to ensure that the “offer” of the city centre – including Kirkgate Market - matches the needs and wants of users otherwise shoppers will choose to go

elsewhere. For this to happen tenants and the Council need to ensure that Kirkgate Market:

- sells what customers want to buy;
  - is open when they want to buy;
  - allows them to buy items in the way they want to (e.g. with debit cards, with a guarantee etc)
  - and provides an environment in which they wish to buy good and services
30. We therefore consider that the Executive Board should give serious consideration to reducing the size of Kirkgate Market and developing a strategy that moves towards establishing a quality and unique shopping experience in Kirkgate Market.
  31. The condition of these buildings and the need for extensive capital investment should be kept in mind in determining the future strategy and management options for Kirkgate Market.
  32. We note that the National Association of British Market Authorities) argues that authorities have two options to deal with struggling markets. They can either allow their markets to continue to decline or they can be decisive and bold. Those deciding to be bold may have to take a hit in terms of income which is extremely difficult decision to make in the current climate – but the argument follows that authorities would at least be guaranteed an income in the future. We agree with this view.
  33. **We note that the condition surveys are visual only and none of the structures have been opened for inspection which is worrying.**

<sup>5</sup> ‘Eastgate Retail Statement’, 2006, CB Richard Ellis.



# Conclusions and Recommendations

## 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.**

## 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.**

## Rents at Kirkgate Market

34. The Friends of Kirkgate Market and other traders who gave evidence to us stressed that the Council as owner and landlord of Kirkgate Market had in their view allowed the physical infrastructure of Kirkgate Market to deteriorate despite the sizeable rents and service charges paid by traders which have produced regular annual surpluses but have not translated into an adequate levels of maintenance, repairs and investment.
35. We feel that whilst this view may be unfair having regard to the fact that the Council has spent £1.4M in addition to routine maintenance on Kirkgate Market in the last ten years and £12M (see paragraph 11) during 1992 – 2000, the reality is investment in the market has reduced significantly in recent years. Traders see this as unfair and want it to be addressed.
36. Bradford City Council recently agreed to ringfence the surplus of the market for reinvestment, something which Leeds City Council has also previously done.
37. Earlier this year members of the National Market Traders Federation, in a deputation to Council, requested a reduction in rents at Kirkgate Market.
38. Independent rent reviews have been carried out at Kirkgate market every three years since 2002 when, after a long period of stable rents, rents rose by between 0 – 90% depending on location. In 2005 rents rose from between 0% – 15%, but in 2008 there was no increase.
39. We were advised that rents for market stalls in Leeds Kirkgate Market vary from £28.75/sq.ft. plus £11.15/sq.ft. service charge in the 1976 building to £52.50 plus £11.15 service charge in parts of the 1904 building. It is extremely difficult to compare rental levels between markets as markets have different charging systems with some, like Leeds, separately charging for rent, service charges and Business Rates and others making a global charge for a stall. Rents in



# Conclusions and Recommendations

Nottingham for example range from £42.31/sq.ft. to £51.57/sq.ft., however these figures are inclusive of service charge and rates.

40. This compares for example with £153.85 per sq ft for a Kiosk in the St John's Centre (not including service charge), and £6,000 per annum for a stall in the centre of the Merrion Centre.
41. Trying to judge whether the cost of having a stall in Leeds is fair compared to the cost of having a stall at other markets is difficult. The independent rent reviews in 2002 and 2005 compared Leeds with a number of Markets in the UK and concluded that it was difficult to draw any conclusions because of the lack of common denominators - the Markets were all of different sizes; the types of leases varied considerably; some occupied prime positions and some poor secondary; and some towns were stronger retail centres than others. The only conclusion that the valuer could draw was that Leeds Kirkgate Market was the largest indoor market in the U.K. and that the retail market in Leeds City Centre was extremely vibrant. As a consequence he believed it must be capable of generating greater rents per square foot for its market stalls than other towns or cities.
42. As a result of the National Market Traders Federation's deputation the Valuation Office Agency (VOA) was therefore instructed to undertake an independent rent review of Kirkgate Market. We received a table summarising the VOA's recommendations.
43. We were advised that the VOA had recommended that a rental increase was justified in the 1904 Hall from £52.50 to £55.00 per sq ft/annum (ie 4.76%) in Zone 1 and from £47.50 to £50 (5.26%) in Zone 2 for those tenants on ordinary leases. There are a number of tenants who opted to go onto contracted out leases a number of years ago who are outside the scope of this review as they pay an annual increase based on inflation. (Such tenants' base rents are £57.50 in zone 1 and £50-£52 in Zone 2). The VOA has also concluded that a rental increase is justified for the George Street Shops from £28.75 to £30 (4.35%) but that no change is justified for any other area of the market (1976/81 and 1875).
44. We noted that rental charges in the market are complex. Rental levels vary considerably between different areas of the market; discounts are given to stalls selling highly perishable goods, whilst more rent is charged for stalls with more than one frontage. The Markets service sets the base rent; however when vacant stalls are put out to tender, tenderers may offer to pay more than the base rent.
45. Despite the pressure on the Council's budget and the general desire to increase income wherever possible, Executive Board has agreed not to implement a rental increase in any part of the market at present. This will effectively cost the Council £16,500 per annum in lost potential income. Many tenants will be disappointed that the VOA has not recommended a reduction in rents across the market, especially as some tenants have recently benefited from a reduction in their Business Rates.
46. Kirkgate Indoor Market **rental income** levels in 2009/10 were £3.2m. This compares to £2.7m in 2000/01, up half a





# Conclusions and Recommendations

million pounds during the ten year period. Income for the indoor market peaked at £3.5m in 2006/07, however during the last 4 years, there has been a trend of an average year on year 5% decrease in income overall. This, together with the rising maintenance costs outlined below, means that the market's profitability is falling, so current levels of income cannot be guaranteed in the future.

47. Recently, some tenants have relied on business grants from the council to pay their rent, improve their premises or undertake marketing and on the additional stall scheme whereby they can rent an additional stall for 10% of the full rent. These arrangements are not a long term sustainable solution to the issues some tenants face.
48. Friends of Leeds Kirkgate Market presented a petition to our Scrutiny Board signed by more than 10,000 people calling on the Council to lower rents in the Market. They told us that rents in Kirkgate Market are the highest in the North of England and amongst the highest nationally, according to the latest valuation report. High rents have also been the main concern for traders and the most discussed issue in the media and amongst the public. However, we are not clear that serious consideration has been given to how lower rents can benefit the market. We believe that lower rents would not necessarily mean less rental income because there would be fewer voids, less stalls on discounted rents and traders might be able to pass on some of those reductions to customers. They feel that an overall rent reduction across the Market, discussed and agreed in partnership with traders would be more transparent than the unpopular and short-sighted rent

reduction schemes (rent free periods and renting at 10% of the full rates) that at the moment create understandable divisions between traders.

49. The Friends of Kirkgate Market would like an investigation into other markets which have successfully implemented alternative rent/charging structures.
50. We heard a number of concerns from traders on this subject and conclude that the current rental system is too complicated and is not transparent leading to dissatisfaction and rumour. We appreciate that much of the rental structure is difficult to change in the short term but the long term objective should be to simplify the rental structure wherever possible for the benefit of all concerned and ensure fairness and transparency.
51. We were particularly concerned that traders who have operated in Kirkgate Market for many years and pay their rent on time week on week are not offered any kind of discount whilst for good reasons; new traders are offered a range of discounts. This does seem to us unfair.

## 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.**



# Conclusions and Recommendations

## Service Charges at Kirkgate Market

52. We learned that the charges to Leeds market indoor tenants consist of three elements - rates, rent and service charge. Service charges are only applied to traders occupying stalls in the Indoor Market; traders in the Outdoor Market are excluded from these charges.
53. As a general rule costs are only deemed service chargeable if they benefit more than one trader; direct costs relating to the operation of the Market are pro-rated between the Indoor Market (67% of total costs) and the Outdoor Market (33% of total costs).
54. We were advised that Leeds Markets Service, as a whole, incurs administration costs including: insurance, rates and office equipment. It was deemed unreasonable to charge the full value of these to the traders of Kirkgate Indoor Market, so these costs are pro-rated across all of the Markets.
55. Markets staff spend their time working on service chargeable and non-service chargeable tasks or at other Markets. Therefore, staff costs are apportioned over each of these areas.
56. The total service chargeable costs are then divided over the lettable square footage of Kirkgate Indoor Market (currently set at 75,000 sq ft); this generates the cost per square foot.
57. The timescale for setting the service charge is the same each year. In July Finance undertake the review of expenditure detailed above. By the end of July, Markets and Finance usually agree a cost per square foot. The rent roll entry from Markets is input into the billing system in September and the adjustment to the tenants' service charge contribution is from October until the following September.
58. The Service Charge to tenants was not increased this year (2010/11) see Appendix 2 of our report despite an increase in costs (mainly waste disposal charges). The increase in costs from 2009/10 to 2010/11 was £41k (4.93% increase).
59. We spent some considerable time on this issue during our inquiry on the premise that service charges should be transparent and easily understood. We found that traders were not being provided with any of the details. They did not have access to income and expenditure or the orders placed or invoices received.
60. We were advised that direct employee costs referred to in appendix 2 of our report refer to 45 markets staff which excludes the Directorate's costs. These market staff provide support to Kirkgate Market and other markets in the city and there time is charged accordingly.
61. We would suggest that a review of service charge costs should be undertaken particularly with regard to staffing costs to see if any efficiencies could be made that would reduce charges made to traders.



# Conclusions and Recommendations

## Recommendation 5

### That the Acting Director of City Development

- (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.
- (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.

## Occupancy & Stall Lettings Policy at Kirkgate Market

62. We learnt that occupancy at the indoor market is about 85% overall but varies considerably between areas. Currently the 1976 section has the highest vacancy rate at 21%, followed by the 1875 section at 19%. The 1981 and 1904 sections both have a current vacancy rate of 8%. (See Appendix 1 of our report). However the outdoor market has been performing well overall with all 200 stalls let on some days. Occupancy at the Asian themed market on Wednesdays has grown from 102 stalls when it opened to 117 stalls occupied each week..
63. Kirkgate Market's vacancy rates compare well with vacancy rates across the city centre where according to the

Local Data Company the city centre's overall vacancy rate is 19.48%.<sup>6</sup>

64. More new traders joined Kirkgate Market (39) than left (37) in the 12 months to 31<sup>st</sup> March 2010. The market does actually receive enough trader applications to fill the vacant stalls. Up to five applications a week are received for nail bars, hairdressers and mobile phone stalls. However we note that there are already a number of stalls trading these products and adding more is not a sustainable way forward for the market. The challenge is to fill the market in a sustainable way through attracting more ambitious tenants with a wider variation of product.
65. If Kirkgate market is to become more successful in terms of being a retail anchor for the city centre, having more successful businesses, making more money and giving more potential independent entrepreneurs the opportunity to start a business, then it needs more customers to shop on the market, or for the current number of customers to spend more money or both.
66. For this to happen tenants and the Council need to ensure that Kirkgate Market:
  - sells what customers want to buy;
  - is open when they want to buy;
  - allows them to buy items in the way they want to (e.g. with debit cards, with a guarantee etc) and
  - provides an environment in which they wish to buy good and services.
67. We were advised by officers that Kirkgate Market is not working as well

<sup>6</sup> A Gathering Storm: Shop Vacancy Report', 2010, Local Data Company.





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as it could. We all want Kirkgate Market to **be the best market in the UK**. But 'best' means different things to different people. Is it somewhere that:

- is the cheapest place to shop? Offers quality products you can't easily find elsewhere? Is a "foodie's" paradise? Has great vintage clothes and affordable fashion? You can get your mobile phone unlocked or get your hair done? Sells food that the supermarkets don't stock?
- Offers fantastic customer service that has knowledgeable traders who can advise on the best way to prepare a dish or what's in season, or what will work best with a colour scheme or what's the best buy?
- You can pay with a credit card? Get a receipt? Has a no quibble returns policy?
- Is open in the late afternoon or early evening or on a Sunday?
- Is cool in summer and warm in winter? Is it a relaxing place to meet friends and have a cuppa or a bite to eat? There's noise and bustle with traders calling out what they have on offer? Are stalls selling the same goods or services located very close together?
- Has a social role in supporting vulnerable people and marginal businesses?

68. It seems to us that an essential element in the success of any new strategy for the market will be the demand for stall units and getting the right mix of goods and services. We suggest that a key issue to be considered in this is the zoning together of similar types of businesses in the market

69. We also saw an example of a stall with several start-up taster businesses together under one stall-holding. We

think this is good practice and should be encouraged in the future.

## 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.**

## Footfall and Usage at Kirkgate Market

70. We were pleased to note that there were over 10m visitors to the indoor market last year and approximately 160,000 - 180,000 a week at present, a decline from 12m a year 10 years ago. This compares with weekly pedestrian flow in and out of the retail quarter in 2009 of 1,402,040, and with average weekly footfall in the St John's Centre of around 250,000 people, and 220,000 people in the Merrion Centre.

71. Kirkgate Market is open Monday to Saturday from 9am-5pm, with a new outdoor market on a Wednesday. Wednesday afternoon opening is a recent initiative and is still gaining momentum and footfall on Wednesdays is now around 14,000. A farmers' market operates the 1<sup>st</sup> and 3<sup>rd</sup> Sunday of every month, however despite this; there has still been an overall downward trend in terms of footfall.

72. There is increasing evidence that whilst some tenants are continuing to trade well, others are struggling. Moreover,



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these difficulties cannot simply be attributed to the downturn in the economy, but rather reflect a broader historic decline in the market's traditional role as a key retail destination. The evidence supporting this view is drawn from both empirical and anecdotal sources. Over the last 10 years the market has suffered from decreasing footfall of 16%, and over the last 4 years its income has fallen on average 5%.

73. Given this evolving position over recent years, it is vital to reflect on where Kirkgate Market stands in providing a first class market facility and determine the direction to take now in order to maintain its relevance as an important retail destination. Of equal significance is the need to strike a balance between the financial return on the Market as an asset and the Council's economic and social objectives.
74. Over the last couple of years there has been a growing national debate about the role and future of traditional markets. Locally the vitality, viability and condition of Kirkgate market have been the subject of recent media, public and Elected Member discussion. Tenants have raised a number of issues which many of them believe are threatening the future of the market.
75. We noted earlier this year that a number of postgraduate students from Leeds Metropolitan University undertook some research about the Market and produced a report "Shopping at Kirkgate Market".
76. As part of this research they undertook surveys involving traders, existing customers, and people who did not use the market. It was of a valid size for statistical purposes and reflected the

diverse population of the City. The key findings were:

- The majority of shoppers in the market were over 50;
- The busiest day of the week is Saturday (as identified by 60% of vendors), followed by Friday, (by 18% of vendors; throughout the week, the busiest time of day was identified as being between 12pm and 1.30pm;
- The main reason why people liked to shop at Kirkgate was to 'have a look', followed by supporting local business. The lowest reasons were for 'ethical' reasons and the relationship to seller;
- Those interviewed chose to use the market because it was cheaper (top answer in all age groups), followed by product selection and the convenience of everything being in one place. (perception or reality – they didn't test this); 78% of people who were interviewed who don't shop at Kirkgate Market answered that they are aware of Kirkgate Market, and 91% stated that they would shop there. 58% of non shoppers had found out about Kirkgate Market through friends, family and word of mouth, rather than through any marketing or advertising.
- Of the non shoppers aged between 18 and 34, the main reason for not shopping was cleanliness at 35%, followed by accessibility of the market at 15%. General appeal and opening times came in at 12%, with product offer being insufficient and price of products coming in at 7%.
- Of the non shoppers aged between 35 and 54, the product offer being insufficient came in as top reason why people didn't shop at Kirkgate Market at 37%, followed by cleaning and quality of products both at 21%. Opening times and general appeal came in at 7%.



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- A third of people questioned were not aware of Kirkgate Market or where it was and anecdotal evidence from the Leeds Loves Food stall on Briggate also indicated a surprising lack of awareness of the market.
77. We understand that the Markets Service is currently working with both the Universities on further research focusing on patronage of the market by students and on understanding why city centre shoppers who know about the market choose not to shop there. This information will help to inform the development of an Executive Board marketing strategy for Kirkgate Market.
78. One of the issues cited for people using a market in national surveys are their vibrancy, and the sense of experience. Some people argue that Kirkgate has lost this over the years and that this is one of the reasons footfall has declined. Clearly as footfall has declined the market is likely to feel less lively; many of the comments about its lack of vibrancy originate from traders who remember the market from twenty or thirty years ago. Interestingly however, new visitors to the market often comment on how vibrant it is.
79. In answering these questions in order to create a vibrant market that is unquestionably the best in the UK, it might be useful for Elected Members to consider these points:
- does the Council have the necessary resources in the current climate to invest in the buildings to bring them up to a much higher standard and to promote the market effectively;
  - is the Council, on its own, able to respond quickly enough to develop and maintain a competitive edge in such a dynamic sector as retail?
- is the current offer right to attract new customers or do opening hours need to be longer or different?
  - do some tenants need business advice and training in customer care from expert 'consultants' to help them maximise their offer?
  - do more tenants need to develop an on-line shopping facility?
  - is increased marketing needed to attract more ambitious tenants, residents and visitors and if so how will it be funded?

## Recommendation 7

**That the Acting Director of City Development work with the traders to**

- (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**
- (ii) make a greater investment in promoting Kirkgate Market.**

## Investment by Traders at Kirkgate Market

80. We noted on our visit to Kirkgate Market that some traders have made significant investment in their stalls and businesses either with their own finance or with funding from the Council's Business Support Scheme. Others, however, have not even been prepared to erect a fascia with the correct name of their business identifying what they sell but instead have left the fascia of a previous tenant in place, sometimes for many



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years. Likewise some traders put a lot of effort into displaying their goods attractively, providing changing facilities, and keeping their stall clean, whilst others do not.

81. This adds to the appearance of neglect in the market and needs to be rectified.

## 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.**

- number of empty stalls
- discounts offered

## Recommendation 9

**That the Acting Director of City Development introduce 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 Scrutiny Board on a regular basis.**

## Performance Indicators at Kirkgate Market

82. We think it important that the success of any new strategy for the market must be judged against agreed measures which might include:

- demand for stall units and the right mix of goods and services;
- number of new business starts;
- traders taking up training packages and business support;
- tenants staying in business either on the market or elsewhere;
- tenant turnover
- Increasing footfall
- rental income
- customer satisfaction
- waiting list for stalls

## Parking Facilities at Kirkgate Market

### a. Current and Future Customer Parking Provision

83. In terms of car parking adjacent to the Market we learned that there is on-street parking, a council owned short stay surface level car park on George Street and the York Street NCP multi-storey car park which was built some years ago to replace the car park on George Street in anticipation of this area being redeveloped.

84. As a result of the Eastgate redevelopment we were pleased to hear that there will be a net gain of 1,618 customer car parking spaces. The 400 spaces on the George Street car park will be replaced within the new 2,700 capacity multi storey car park. In addition, there is existing, unaffected, parking provision of 646 spaces adjacent to the Markets at the York Street NCP car park and at Quarry Hill.

85. We know that traders do have concern that the location of the new multi storey



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car park is some distance from the market area and also the potential cost of parking in this car park.

86. We note that currently the majority of market customers travel on foot or by bus and indeed some older customers have commented that they do not like to travel into the city centre by car and so would not come by car regardless of parking provision. One of Leeds' main transport hubs, the bus and coach station is of course adjacent to the market and the railway station is less than 10mins walk or (currently) a free bus ride away.

87. We are satisfied that the net gain of 1,618 customer car parking spaces is a positive outcome for the market albeit that the new multi storey is a little way from Kirkgate Market.

## **b. Trader Parking Provision**

88. We were advised that the Markets Service has never provided a dedicated parking facility for traders. With the redevelopment traders, together with all other current users of the short stay George Street surface car park, will need to find alternative car parking in York Street NCP car park or other city centre car parks.

89. The recent introduction of a discounted parking scheme by NCP for traders using the NCP market car park has seen an increase in traders using this car park. However due to height restrictions this car park is not suitable for transit van type of vehicles.

## **c. Current and Future Loading/Unloading**

90. We noted that the bulk of **indoor market** deliveries are undertaken before

retail opening hours which is between 6am and 8am (Mon to Wed) and 6am - 7.30am. (Thurs to Sat) using the early morning access doors at Ludgate Hill and Scotsman's entrance. The middle doors on New York Street are also open for deliveries to the market from 6.30-7.00am.

91. During these times delivery drivers tend to park their vehicles on George Street, Vicar Lane, New York Street and Kirkgate and the pedestrian area in front of the Kirkgate market entrance. The majority of vehicles park along George Street and use the Ludgate Hill entrance to the market.

92. We noted that there is a long standing arrangement in operation between Markets and Parking Services whereby the parking bays on the Market side of George Street are suspended until 10.30am each morning.

### **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.**





# Conclusions and Recommendations

## Eastgate Quarter Development

93. We were informed that together with the indoor and outdoor market, the Eastgate Quarter constitutes the eastern retail quarter of the city and the future of Kirkgate must be considered in the context of proposals for the Eastgate redevelopment scheme.
94. This area currently consists mainly of open surface car parking, a significant amount of which has lain undeveloped since the 1960s, and a number of buildings that are underused and in a state of disrepair. Typically the area lacks a 'sense of place', activities which attract visitors, public open space and pedestrian integration into the rest of the city centre.
95. We learned that the objective of this development is to regenerate the Eastgate Quarter of Leeds City Centre through the provision of a retail led mixed use scheme which combines appropriate features of the historic environment with a series of new streets, squares and public spaces as a seamless extension to the city, rather than in a conventional "shopping centre" format. The development will provide new retail, café, and restaurant uses alongside new primary and secondary anchor department stores which will act as the main anchors of the scheme on both sides of Eastgate.
96. The new shopping streets of the Eastgate Quarter will reinvigorate and revitalise lost routes to the area, increase levels of activity, and promote new connections between northern, southern and eastern retail quarters. Proposals for Quarry Hill, the emerging cultural quarter, will see large scale development which will help re-establish it as a major focal point east of the city centre.
97. We heard that the Council is also working towards the enhancement of the 'Kirkgate quarter' with the aim of the *regeneration of the area surrounding Kirkgate Market and Cloth Hall Street*.
98. The Heritage Lottery Fund has already earmarked funding under the Townscape Heritage Initiative (THI) to help renovate the Lower Kirkgate area of Leeds City Centre. As a result of the THI extensive repairs will be carried out to various heritage buildings through the reinstatement of lost architectural features and refurbishment of vacant buildings. The scheme will also bring wider training and work placement opportunities to communities within Richmond Hill. It is also hoped that the redevelopment will help to stimulate pedestrian activity in and around the adjacent Kirkgate markets area.
99. The redevelopment of the Kirkgate Quarter area will create significant improvements in the public realm and will improve the connectivity between the Market, Lower Kirkgate, Eastgate Quarter and the improvements planned for the Riverside. The initiative will also generate inward investment, business creation and employment opportunities for the city centre whilst providing a real boost to the Market (and its traders) which has been in decline in recent years. It will also contribute significantly to tourism, building on Kirkgate Market to create a Kirkgate Quarter as a destination in its own right.
100. It is important that the level and quality of retailing in Leeds City Centre enables



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it to act as a regional anchor.<sup>7</sup> It is also essential to ensure that the “offer” of the city centre – including Kirkgate Market – matches the needs and wants of users otherwise shoppers will choose to go elsewhere to cities with a broader retail offer. It is anticipated that these two developments will significantly increase footfall in the eastern area which will have a beneficial effect on Kirkgate Market.

101. However, whilst the developments in the Eastern part of the City Centre will be significant and positive for Kirkgate Market in the long term, in the short term there will be a significant amount of disruption to the area and a risk that due to this and the uncertainty this will generate, footfall and the number of traders in the market may actually fall further during this development phase. We were advised that the City Council will work closely with traders, customers and the developers to minimise the impact.

102. Views are divided as to the impact which the Eastgate development will have on Kirkgate Market; in reality it probably presents both opportunities and challenges. For example during the construction period car parking in the area will be reduced but construction workers will undoubtedly use the Markets’ takeaways and cafes. Current proposals place the anchor store John Lewis opposite to Kirkgate Market potentially bringing new customers right to the market’s doorstep.

103. We were informed that the Council is working closely with the developers Hammersons, and anchor tenant John Lewis, to ensure that the Eastgate development ultimately benefits the

market. Indeed some changes to the configuration of the layout of John Lewis and the positions of pedestrian crossings have already been made to help ensure greater cohesion between Eastgate and the market. In respect of the car parking it is important to remember that the NCP car park at the back of the market was built to replace the temporary George Street car park some years ago when the Council was working on an earlier scheme to redevelop this area, which never came to fruition. In terms of the overall development and the wider eastern area of the city centre the NCP car park and the new proposed car park will provide parking at both sides of the Kirkgate/Eastgate area and clearly John Lewis wants its customers to be able to park very close to its store. However, market traders advised us that they had not been advised by the Council nor involved in any discussions with the developers about the redevelopment of the Eastgate Quarter and its implications for Kirkgate Market. We were advised by officers that this was factually incorrect as traders representatives were consulted during the first planning application process and were consulted again in Autumn 2010 in respect of this development.

104. The redevelopment of the Eastgate quarter is expected to commence in 2012 at the earliest and will take approximately three years to be complete. Close working between all parties will be essential during this period.

105. We noted that the delay in the Trinity Quarter development has meant that city centre retailers (including traders in Kirkgate Market) have had the advantage of competing with a reduced amount of retail space (due to

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<sup>7</sup> ‘Eastgate Retail Statement’, 2006, CB Richard Ellis.



# Conclusions and Recommendations

demolition of existing units in preparation). With Trinity Quarter now on site with a scheduled opening of 2013, this additional retail space will increase competition and potentially draw footfall away from the eastern quarter.

## **Recommendation 11**

**That the Acting Director of City Development ensure that officers keep traders apprised of progress with regard to the Eastgate Development and that the developers Hammersons and John Lewis be asked to meet with market trader representatives on a regular basis to explain their proposals and hear the traders concerns.**

## **Recommendation 12**

**That the Acting Director of City Development provide a copy of the Market Strategy on publication to the relevant Scrutiny Board for consideration and comment.**

106. Finally we noted the concerns of the traders regarding the management of Kirkgate Market. We noted that In December 2009 the Markets Service transferred from Asset Management to Economic Development, both within City Development. The move signified the importance of the Kirkgate and district markets to the economic development of their surrounding areas and of the potential impact of those areas on the markets.

107. We are pleased that a new Markets Manager has been appointed and accept the current reporting structure as being the most appropriate provided the Council retains ownership and management of the market.





# Evidence

## Monitoring arrangements

Standard arrangements for monitoring the outcome of the Board's recommendations will apply.

The decision-makers to whom the recommendations are addressed will be asked to submit a formal response to the recommendations, including an action plan and timetable, normally within two months.

Following this the Scrutiny Board will determine any further detailed monitoring, over and above the standard quarterly monitoring of all scrutiny recommendations.

## Reports and Publications Submitted

Reports of the Head of Scrutiny & Member Development

Report of the Acting Director of City Development on current issues facing the market

Report of the Acting Director of City Development on the rent review, conditions survey, service charges and stall lettings policy

Appendix Extract from the Valuation Office Agency Report

Appendix Building conditions survey 1875 -1904 Kirkgate Market

Appendix Service chargeable and non service chargeable costs

Appendix Breakdown of 2010 service charges

Appendix Executive Board report "Towards a market strategy for Kirkgate Market"

Report by the Acting Director of City Development on Eastgate and parking

Report of the Acting Director of City Development on ownership and management models

Submission by Friends of Leeds Kirkgate Market and National Market Traders Federation

Note of Kirkgate Market Forum of 10<sup>th</sup> February 2011

Briefing note on leases and licences in Kirkgate indoor market



# Evidence

## Witnesses Heard

Mr John Perriton, Field Support Manager, National Market Traders' Federation  
Ms Liz Laughton, National Market Traders Federation, Kirkgate Branch  
Ms Sara Gonzalez, Friends of Kirkgate Market  
Ms Megan Waugh, Friends of Kirkgate Market  
Mr Chris Leonard, Friends of Kirkgate Market  
Ms M E Ruston, Market Trader  
Mrs Michelle Hocken, Market Trader  
Mr Lacky Singh, Market Trader  
Joe Williams, National Market Traders Federation  
Mr Alan Wheeldon, Friends of Kirkgate Market  
Mr Martin Farrington, Acting Director of City Development  
Mr Paul Stephens, Chief Economic Development Office, City Development Directorate  
Ms Cath Follin, Head of City Centre and Markets, City Development Directorate  
Ms Sue Burgess, Markets Manager, City Development Directorate

## Dates of Scrutiny

25<sup>th</sup> August 2010 Visit to Kirkgate Market by Board Members  
7<sup>th</sup> September 2010 Scrutiny Board (City Development)  
5<sup>th</sup> October 2010 Scrutiny Board (City Development)  
2<sup>nd</sup> November 2010 Scrutiny Board (City Development)  
7<sup>th</sup> December 2010 Scrutiny Board (City Development)  
11<sup>th</sup> January 2011 Scrutiny Board (City Development)  
8<sup>th</sup> February 2011 Scrutiny Board (City Development)  
8<sup>th</sup> March 2011 Scrutiny Board (City Development)



# Appendix 1

## Vacancy Rates Kirkgate Market

Section	2005 %	2006 %	2007 %	2008 %	2009 %	2010 (current) %
1976	13	12	14	24	22	21
1981	10	10	24	17	12	8
1875	17	3	2	3	3	19
1904	10	5	5	7	7	8
Total (%)	12	9	14	16	14	14



## Appendix 2

### Breakdown of 2010/11 Service Charge

Item of expenditure	2009/10 budget £	2009/10 actual cost £	2010/11 budget £
Maintenance etc of Plant	17,320	17,773	<b>17,320</b>
Maintenance, Cleaning, Inspection etc of buildings	127,640	114,273	<b>115,140</b>
Provision of Security Services	92,390	82,888	<b>88,010</b>
Insurances	19,856	12,258	<b>9,428</b>
Direct Employee costs	394,389	376,936	<b>373,155</b>
Supply and Maintenance of materials and equipment	24,652	17,426	<b>23,613</b>
Rates and Taxes	7,598	9,001	<b>7,831</b>
Supply of Water, Electricity, Gas, Oil and other fuels	106,440	106,134	<b>106,440</b>
Managing Agents Fees	41,163	40,705	<b>40,356</b>
Disposal and destruction of refuse including associated plant	48,210	77,404	<b>80,000</b>
Miscellaneous Expenditure	0	0	<b>0</b>
<b>Total</b>	<b>879,659</b>	<b>854,797</b>	<b>861,295</b>
Difference between the budget and actual cost for the previous year	-43,232		<b>-24,861</b>
<b>Total service charge</b>	<b>836,426</b>	<b>854,797</b>	<b>836,433</b>
<b>Cost per square foot</b>	<b>11.15</b>	<b>11.40</b>	<b>11.15</b>



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