

Report of Director of City Development

Report to Member Management Committee

Date: 1st July 2014

Subject: Appointments to Kirkgate Market Management Board

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

Summary of main issues

1. Leeds City Council wishes to deliver a culture change in the way it operates Kirkgate Market. Within the context of the proposed redevelopment and refurbishment of the market, the Council is reviewing its management arrangements. The aim is to foster a more collaborative approach which embraces and builds upon the skills of the management team and the considerable experience of its traders, combined with appropriate input from experts in related fields such as commercial retail.
2. Kirkgate Market is part of a vibrant retail offer which reflects the city's diverse and varied cultural profile and complements recent step changes in the city's retail landscape with the opening of Trinity Leeds, and the imminent commencement of the new Victoria Gate development. These are both multi-million pound combined retail and leisure destinations which move the city significantly towards its aspiration to be Best City in the UK by 2020, and has helped secure Leeds' position as one of the top 5 retail destinations in the UK¹.
3. At Executive Board in March 2013, it was agreed that the future management arrangements for Kirkgate Indoor and Open Market would remain with the Council, as this was the option favoured by the public in the extensive consultation exercise conducted as part of the feasibility work during 2012. A separate Board would be

¹ CACI Retail Rankings

established for this purpose, the format of which would encompass membership that included traders and independent advice. Approval was given to work up a detailed proposal for the format and terms of reference of this Board.

4. In December 2013, Executive Board formally approved the format and arrangements for a Management Board for Kirkgate indoor and outdoor Markets which would be an informal Advisory Board of the Council and would comprise 6 x elected members, 2 x indoor traders, 1 x outdoor trader, and up to 3 independent advisers.
5. The Director of City Development will be responsible for taking the decision to form the Management Board.

Recommendations

6. The Member Management Committee is asked to approve the appointment of elected members to the Board.

1 Purpose of this report

- 1.1 The purpose of this report is to advise members of the Member Management Committee of the requirement to nominate and agree the appointment of elected members to the new Kirkgate Market management board, in line with the rules of proportionality set out in the Council's Constitution; and sets out the parameters for the new Board and its membership as agreed by Executive Board in December 2013.

2 Background information

- 2.1 At Executive Board in March 2013, it was agreed that the future management arrangements for Kirkgate Indoor and Open Market would remain with the Council, with a separate Board to be established for this purpose, the format of which would encompass membership that included traders and an independent adviser. This option was favoured by the public consultations exercise that took place. Approval was given to work up a detailed proposal for the format and terms of reference of this Board. A great deal of work took place during 2012 to explore alternative options outside the Council's control (e.g. social enterprise), but when the options were put out to consultation the majority of respondents said they preferred the management of the market to stay with the Council.
- 2.2 In December 2013, Executive Board formally approved the format and arrangements for a Management Board for Kirkgate indoor and outdoor Markets which would be an informal Advisory Board of the Council and would comprise 6 x elected members, 2 x indoor traders, 1 x outdoor trader, and up to 3 independent advisers.
- 2.3 The elected member representation will follow the rules of proportionality, i.e. 4:1:1.
- 2.4 Trader representatives will be elected through a democratic ballot, which is currently underway.
- 2.5 Independent advisers will be appointed following formal advertisement.

3 Main issues

- 3.1 Proposed Structure of the (Informal) Advisory Board
- 3.1.1 The Board will be established by the Council, and as such, LCC will retain the majority influence and control. The following representation is recommended; all have voting rights.
- 3.1.2 6 x Elected members, selected through the Council's procedure for appointments to Outside Bodies, which based on the current political balance of the Council would be:

- 4 x Labour, to include Chair who has a casting vote;
- 1 x Conservative; and
- 1 x Liberal Democrat

3.1.3 3 x democratically elected trader representatives:.

- 2 from the Indoor market; and
- 1 from the outdoor market.

3.1.4 Up to 3 x independent advisers. The advisers would be drawn from a range of disciplines and would provide expert advice and guidance to the Board. They would be expected to attend meetings, but where relevant, could also provide advice and guidance in other ways, e.g. as mentoring and support to the Chair, or in the form of written advice. Possible disciplines would include:

- Commercial retail advice;
- Lettings advice;
- Legal and governance advice;
- Marketing and PR advice; and
- Systems and facilities management advice.

Following feedback from traders it is suggested that elected members and trader representatives are appointed first, and are able to take part in the recruitment and selection of independent advisers.

3.1.5 The above suggested representation means that the Board will be balanced 6:6 (6 x elected members of the Council and 6 x others who are not elected members of the Council). As the Chair will be an elected member and will have a casting vote in the event of a tie, the majority influence and control remains with its Directors (the elected members) as required for a Board which is wholly-owned by the Council.

3.2 An informal advisory Board does not have to follow the rules of political balance as long as due regard is given to overall political balance across all appointments to outside bodies.

3.2.6 Members would ideally be allocated to the Board in time for the new municipal year which starts at or around the end of May each year. This has the advantage that appointments to the Management Board will be undertaken using the formal process established in the LCC constitution for appointments to outside bodies.

3.2.7 The Director of City Development will be the principal advising officer on the Board. He may delegate this function as he sees fit, to an appropriate LCC officer. The Director will not have voting rights. It should be noted however that, the power to make decisions on behalf of the Council on matters which are within the sphere of influence of the Management Board rests with the Council's Executive Board, or with the Director of City Development through the Scheme of Delegation approved by the Council's Executive Board.

3.3 The Board will consider matters within its sphere of influence as described in Appendix A to this report, and will vote to agree what its advice to the Council should be on these matters.

3.3.8 For voting purposes, the Board must be quorate.

3.3.9 In order to be quorate there must be at least three elected members including the Chair; one trader and one independent adviser present.

3.4 All appointees will serve a term of three years and may be re-appointed for a second term.

4 Description of Roles

4.1 Elected Members

Elected members appointed by MMC in accordance with the rules of proportionality would be appointed taking account of their skills and experience relevant to the role.

4.2 Chair of the Management Board

It is proposed that the Chair will be an elected member from the ruling Administration, and one of the Administration's elected members on the Board. The appointment of the Chair will be determined at the time of selection. The Chair will have a second, casting vote in the event of a tie.

4.3 Representation by traders

It is of prime importance that traders' views are represented on the Management Board. 3 seats on the Board will be reserved for trader representatives. Traders will be elected representatives of Kirkgate market traders with a clear remit from their peers to represent the views of traders and to report back to traders on the outcome of meetings. There is currently no formal representative body of traders at Kirkgate market.

LCC will oversee two ballots, one to elect representatives of the indoor traders and one to elect a representative of the open market traders.

4.4 Independent Adviser

There will always be at least one and up to a maximum of three Independent Adviser(s) on the Board with suitable experience and expertise in disciplines relating to the work of the Board, but in particular retail and commerce.

The Adviser(s) will be recruited through advertisement in the regional media and through the Council's websites, and the inaugural appointment will be made by the Director of City Development, in consultation with the Executive Member for Development & the Economy. The Independent Adviser(s) will be appointed for a minimum term of 3 years but will have the right of resignation, and may be re-appointed.

4.5 Observers

The Board could choose to invite non-voting observers to attend the meeting either for a 12 month period, or on an ad hoc basis depending on the reason for their attendance.

4.6 Markets Service

A representative of the Markets Service management team will always attend meetings of the Management Board to provide information, advise on and discuss operational matters identified on the agenda which fall within the scope of the Board's influence. The management team will attend in the role of observer and will not have a vote.

5 Timescale

- 5.1 Subject to Member approval the Management Board will be set up in time for the next municipal year, for which the Annual Meeting is set for 9 June 2014. This timescale also has the advantage that its membership in respect of elected members would be managed as part of the Council's normal governance arrangements for appointments to Boards and committees and outside bodies in June, and is timely in respect of the forthcoming development of Kirkgate market in that the Board will be established at the start of any physical changes. It is entirely appropriate that the new Board will have an important advisory role in keeping the market operational during the period of development.

6 Corporate Considerations

6.1 Consultation and Engagement

The Council will oversee a democratic election process for traders to establish trader nominations to the Board. An open session has been held for traders on 18th November 2013) and a newsletter produced, to advise them of the detail of the proposed Management board format and terms of reference and the proposed new lease agreements, and to receive feedback. As a result of this session, the recommendation to appoint independent advisers once the Member and trader representatives are in place and able to participate in the selection process was added to this report. No further amendments to the proposals for tenancy agreements were requested.

The Executive Member for Development and the Economy, Development Lead Members and the Kirkgate Market Project Board have been consulted and are supportive of the recommendations contained in this report.

6.2 Equality and Diversity / Cohesion and Integration

The proposed Board will have reference to the rules of political balance and proportionality set out in the Council's constitution to ensure equitable political representation. The election process for trader representatives will have due regard for equality and diversity in accordance with the Council's policy and advice has already been sought from the Council's Equalities team on how to encourage diversity of nominees. Independent advisers will be recruited through

advertisement in the local media and via the Council's website to ensure the opportunity is promoted fairly and equitably.

6.3 Council policies and City Priorities

The subject of this report has a direct impact on LCC's aspiration to be 'Best City' and supports its Vision 2030 by helping deliver:

- a) A strong local economy driving sustainable economic growth
- b) A city where:
 - there is a strong community spirit and a shared sense of belonging, where people feel confident about doing things for themselves and others;
 - people from different backgrounds and ages feel comfortable living together in communities;
 - there is a culture of responsibility, respect for each other and the environment;
 - the causes of unfairness are understood.

6.4 Resources and value for money

Administrative resources will be required to facilitate the election of members to the Board and also to oversee a ballot to elect trader representatives. Once established, an administrative resource will be required from within City Development to administer the Board.

6.1 Legal Implications, Access to Information and Call In

The appropriate legal processes will be undertaken to establish the Terms of Reference of the Board and its relationship with the Council, including in respect of any liabilities should it be dissolved in the future.

7 Conclusions

7.1 There is a need to establish appropriate elected member representation for the new Kirkgate Market management board, to enable it to come into being at the start of the municipal year 2014.

7.2 This requires a decision of MMC.

8 Recommendations

8.1 Member Management Committee is recommended to agree the appointment of elected members to the new Kirkgate Market Management Board.

9 Background documents

None

APPENDIX A

10 Role

10.1 The role of a Kirkgate Market Management Board would be:-

- To act as custodian and promoter of the vision and objectives for Kirkgate market;
- To provide strategic guidance to Council in relation to the operation and management of Kirkgate market;
- To consider and advise on the continuity of trading during the redevelopment of Kirkgate market;
- To facilitate productive working between traders and the Council;
- To be involved in the commissioning of marketing and promotions;
- Monitoring consultation; and
- To advise and inform on the development of policies relating to the operation of the market, for example lettings policy (criteria, zones, aspirations), day to day management of the facility.

10.2 The Board's remit would not include:

- The ability to make decisions on behalf of the Council. These remain with Executive Board and any delegated powers held by officers;
- Involvement in individual applications for lettings, leases and licences due to confidentiality and data protection;
- Involvement in individual Landlord and Tenant Act matters between the Council and its tenant;
- Dealing with matters relating to the Council's Market Charter rights including disputes;
- Dealing with markets operated or licensed by the Council other than Kirkgate Indoor Market and Kirkgate Open Market.