

Report of Director of City Development

Report to Executive Board

Date: 17 March 2021

Subject: Leeds Kirkgate Market Strategy 2021-2026

Are specific electoral wards affected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, name(s) of ward(s): Little London and Woodhouse, Burmantofts and Richmond Hill	
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, access to information procedure rule number:	
Appendix number:	

Summary

1. Main issues

- The current Kirkgate Market strategy was approved by Executive Board in 2011, during this period the retail climate on both the high street and within the market has rapidly changed, and now has the additional challenge of managing the impact of the Covid-19 pandemic.
- The 2011 market strategy does not focus on the current retail environment and how the market needs to adapt to these changes as well as meeting customer demands in order to remain a sustainable retail destination.
- The new strategy attached as Appendix 1 explains that the future sustainability of the market will require a more flexible approach as retail continues to change, businesses within the market need to be more competitive. The market must continue to attract both new and existing customers as well as being an attractive place for new businesses to set up, increasing occupancy levels and the variety of goods on offer.
- As a result of their age some areas of the market now require extensive infrastructure work. The strategy incorporates regenerating these areas back into lettable space helping to improve the look and feel of the market for traders, customers and potential new businesses.

2. Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

- The market strategy aligns with the Best Council Plan within its vision as follows:
- **Inclusive growth** – supports jobs for local people both business owners and employees, supports local goods and suppliers as well as supporting businesses within the city centre that rely on the market to provide goods and services to. An affordable way to set up a business with a wealth of business support on offer. The market offers a place for people from all ethnic backgrounds to work and set up a business within it and is a true reflection of the makeup and diversity of the city.
- **Health and wellbeing** – working with local schools and partners in public health to promote healthy lifestyles with the produce that can be purchased from the market. Partners also deliver a number of public health awareness programs/campaigns helping to reach out to a wide diverse audience.
- **Child-friendly city** – the whole events program has a child friendly focus to it, helping to give all the children of Leeds the chance to experience activities in the city which are free so that everyone can take part during the school holidays, helping to attract families to the market as part of the retail experience.
- **Age-friendly Leeds** – events are put on for our elderly customers to attend giving them a sense of community, and a safe place to meet up with friends. The market is also signed up to the cities “come in and rest” campaign.
- **Culture** – diverse cultural events as well as the arts have all been held in the market and this is an area that continues to grow in popularity and form an integral part of the markets annual events calendar.

3. Resource Implications

The intention is for the actions outlined in the strategy to be delivered within the existing revenue and capital budgets that are committed to the Market currently. Should additional capital resources be required for any further refurbishment or development programmes then they would seek an injection into the Capital Programme as part of the Council’s wider financial governance processes

Recommendations

Executive Board is recommended to:

- a) Note the detail within the Markets Strategy and to reaffirm LCC commitment to Leeds Kirkgate Market and agree the detailed actions contained within the strategy in order to achieve the five year strategy 2021-2026.
- b) Agree that the strategy must remain flexible throughout to allow the market service to adapt to the changing nature of retail on the high street and recover from the impact of the Covid-19 pandemic.
- c) Note that the Chief Officer, Operations and the Head of Markets will be responsible for the implementation of actions arising from the Strategy in accordance with the timescales contained with the Strategy itself.

1.0 Purpose of this report

- 1.1 The purpose of the report is to present to Executive Board a proposed Kirkgate Market Strategy.
- 1.2 The strategy sets out the market as a special place in Leeds and reflects on the connection that Leeds residents have with the market. It provides an overview of the current situation of the market, one that shows significant investment and commitment by a range of partners and stakeholders but also highlights the fact that the market is operating in the most challenging retail environment the UK has seen for many years.
- 1.3 It takes reference from the Economic Recovery Framework for the city as a whole with regards to the approach on recovering and building resilience over the coming years following the impact Covid-19 has had on the economy and the retail environment in general. Kirkgate Market is home to hundreds of independent businesses so it is imperative the strategy provides confidence of the Council's ongoing commitment. The direction the strategy sets out for the market will help to ensure its future sustainability and it will continue to be a place for independent businesses to set up and flourish.

2.0 Background information

- 2.1 The market is home to 245 businesses both indoor and outdoor. Approximately 7m visitors passed through its doors in 2019, seeing a slight increase on the previous year but significantly reduced in 2020 due to the Covid-19 pandemic. During 2019 the Council committed £1m on refurbishments to four historic units which have now been let, built three new units in the market kitchen, again these are let with 100% occupancy in this area. Also eight units were built in the 1981 hall to support tenants having to relocate to make way for the hotel development. The Market Service also relocated to new offices improving the look and feel of the market as you enter from New York Street with the offices being branded in the market logo.
- 2.2 Occupancy is at 91% for the indoor market excluding the units which are in need of refurbishment as part of a planned refurbishment scheme starting in 2021. The outdoor market occupancy is much reduced at 41% occupied, whilst this still delivers on average 80 stalls per day the overall size of the outdoor market can give the impression that occupation is lower and this does give rise to issues of public perception of the outdoor market. The market continues to attract new and existing customers through its social media channels and events it hosts. These all add to the retail experience and offer people more than just a place to come and shop. KPI figures from 2019, following the investment and prior to the outbreak of the pandemic in 2020, are highlighted in the infographic appended to this report (Appendix 2). Some photographs of pre-pandemic market activity are also shown below.



Indian Food Festival 2019



Guinness World Record attempt for the most flat caps worn in a single venue as part of Yorkshire Day Celebrations



Indoor Planting with TV Gardener Katie Rushworth

- 2.3 The strategy sets out a future vision for the market over the next five year period which is:
- An inclusive, successful and sustainable part of our city-centre offer, where independent retailers can innovate and thrive;
 - An attractive, safe and welcoming destination where our investment secures the unique offer for future generations;
 - A place for everyone, where people can experience Leeds, its people, heritage and culture.
- 2.4 The strategy reflects on the work completed to date and outlines work still to be done. It highlights the governance arrangements that will apply, ensuring successful delivery of the benefits the strategy outlines.
- 2.5 The strategy demonstrates the aim to make improvements over the next five years to the market. With retail being an ever changing environment there will be a need to adapt to change, so the strategy will be regularly reviewed alongside a proposed delivery plan. It also sets out a perspective on how the market will look, feel and operate in 2026 and visualise how the changes the strategy sets out will impact the market.
- 2.6 It is important to maintain flexibility within a strategy which is linked heavily to a changing retail climate, due to the fast pace in which it moves. A clear strategy will give clarity to businesses within the market so traders can plan for the future and if required change and adapt their businesses along the way.
- 2.7 Collaboration between the Council, as the operator of the market, market traders and their representatives and wider stakeholders will be key in delivery of the strategy and will be pivotal in addressing the challenges and reaping the opportunities that exist over the next five year period.

3.0 Main issues

- 3.1 The current retail climate is changing at a fast pace with numerous national high street retailers reporting difficult trading conditions across the UK. We have now entered a sustained period where retailers are operating in very difficult times with low retail growth and an increasing number of retailers experiencing financial difficulties leading to insolvency, entering administration, receivership, or seeking alternative sources of funding/relief from shareholders/landlords. This has been intensified since the start of the pandemic in March 2020 which saw the country go into two national lockdowns and other severe trading restrictions imposed, greatly impacting on the economy.
- 3.2 Prior to Covid-19 striking, the market was showing encouraging signs of increased footfall and improving levels of trader occupation (especially in the Indoor Market). However the ongoing impact of Covid-19 on high street retail has been significant, potentially changing the way people shop forever. Whilst we have seen some slight growth at our district markets as people tended to shop local the detrimental impact on the city centre market has been far reaching. Changes in customer behaviour is accelerating the growth of online sales even further. The actions embedded within the strategy focus on making the market a safe and welcoming place to shop and trade – never has this been more pertinent as we recover from Covid-19. We are under no illusions that recovering from the impact of Covid-19 will be a significant challenge however delivering on the actions set out in the strategy will be integral in achieving a positive recovery during the next five years and beyond.
- 3.3 In line with the Economic Recovery Framework which sets out the ambition to create a strong economy under three clear headings, Respond, Reset and Renew and Build Resilience. It is important for the market to recover quickly and to do this we need to continue to build on the successful events programme, as market events have an important role to play in supporting the recovery and regeneration of town centres by driving footfall, creating activity and a sense of place and belonging. In addition there is now an added focus to retain and support existing businesses, reduce income pressures caused by the pandemic, control spend and make savings where necessary, and at the same time breathe confidence into businesses that the market is a great place for bricks and mortar retail. The market and its traders will continue to need to adapt and evolve as the retail sector continues to change, with the desired outcome being that the market not only survives but prospers.
- 3.4 The proposed Kirkgate Market Strategy is attached at Appendix 1 and this sets out a range of actions and activities to be undertaken over the next five years, grouped around three elements of a vision for the market:
 - An inclusive, successful and sustainable part of our city-centre offer, where independent retailers can innovate and thrive;
 - An attractive, safe and welcoming destination where our investment secures the unique offer for future generations;
 - A place for everyone, where people can experience Leeds, its people, heritage and culture.
- 3.5 Beyond the vision, the Strategy seeks to set out the importance of the Market to the City, both in terms of the importance it has to the retail offer of the City Centre and also the strong emotional connection that the Market has had to generations of Leeds' residents. The Strategy seeks to ensure that connection remains strong and endures over the next five year period.

- 3.6 The Strategy reflects the need for a partnership approach to helping the Market thrive and emphasises the need for the Council, as operator of the Market, to work with all stakeholders, but most notably traders at the Market, to deliver improvements and to secure the long-term viability.
- 3.7 The Strategy sets out a range of activities that are required to be undertaken over the life of the Strategy, themed around the three elements of the vision as set out in 3.4 and some of the key proposals are outlined below:
- Key actions to deliver the inclusive, successful and sustainable part of our city-centre offer, where independent retailers can innovate and thrive will include:
 - Focussing on filling vacant units
 - Reviewing the layout, size and operation of the Open Market
 - Enhancing our insight into what customers want at the market including consideration of a diversified offer to complement the core retail and opening hours etc.
 - Further development of the Market's marketing, communication and engagement reach
 - Development of a Sustainability Plan for the Market that seeks to reduce its carbon footprint
 - Key actions to help ensure the Market remains an attractive, safe and welcoming destination will include:
 - Continued investment into the Market, cognisant of the Council's overall financial position
 - In partnership with traders, invest in communications and retail infrastructure to enable traders to maximise revenue
 - Ensuring the Market is age and disability friendly and working with traders to ensure the shopping experience is attractive
 - Key actions to help ensure the Market remains a place for everyone, where people can experience Leeds, its people, heritage and culture, will include:
 - Explore how the Market can play an active role in Leeds 2023 working with the Leeds Culture
 - Trust to support events proposed for 2023.
 - Continue to support community use of the Market for all ages
 - Act as a satellite venue for the City's major arts programmes such as Light Night and the Film Festival
 - Act as a base for local entrepreneurs and innovators including the use of the Market as a base for temporary pop-up activities and retail start-ups
- 3.8 Delivery on the actions contained within the Strategy (which will be an ongoing process and subject to regular review) will be overseen by a well- established Market Management Board which consists of trader representatives, Elected Members, independent advisors and LCC officers.
- 3.9 Finally the Strategy identifies how the Market will look and feel at the end of the five year period with an expectation that the Market will "have strengthened its position

as an iconic element of the city. The market will have evolved to be resilient to the changing pattern of retail in the UK's high streets, it will be a modern retail environment offering a first class experience for traders, shoppers and residents alike."

- 3.10 As reported to Executive Board last month, in light of the implications of Covid-19 on the property market, Town Centre Securities (TCS), who are the preferred bidder for the George Street Development, have decided to write down their costs incurred and to not proceed with the proposed development of an apart-hotel on George Street in the manner previously proposed. Against this background, the Council is exploring alternative delivery mechanisms and development proposals with TCS, prior to determining the detail of the proposal and method of delivery, that complements are work on the post Covid economic recovery. The Council's expectation is that any such proposal will be within the financial parameters previously agreed by Executive Board.

4.0 Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Both the Executive Member and Deputy Executive Member with responsibility for the Markets Service were consulted throughout the development of the strategy and have inputted to the development of the strategy. The markets trader representatives were also consulted on the initial draft document and their comments were taken on board.

- 4.1.2 In the development of the Strategy, public, trader and customer consultation was undertaken by mean of:

Market Kitchen survey 2018 – Leeds Beckett University
Market communications audit 2019 – Leeds Beckett University
Creative and digital work space survey 2019 – Leeds University
Market customer/non customer survey 2019 – Leeds University.

The results of the consultation influenced the drafting of the Strategy which was then presented to the groups as detailed below.

- 4.1.3 The markets management board consisting of ward members, senior council officers, independent business advisors and the market trader representatives were presented to and comments were taken and added to the draft document.
- 4.1.4 All traders in the market were given the chance to volunteer to attend working groups from the three key commodities in the market. These were fresh food/food to go, general retail and outdoor market. Only one mixed group was possible due to lack of volunteers but the feedback and comment from this group was very positive around ways the strategy should help them grow their business and the comments were added to the draft document.
- 4.1.5 Finally all 245 business were invited to a full trader meeting where the final draft version of the strategy was presented by senior officers. This gave traders a chance to make comment at the meeting but also offered a further two weeks for feedback for those that didn't feel comfortable speaking out in a large meeting environment. The feedback provided from the consultation undertaken above has informed the

further drafting of the strategy into the version presented for approval and appended to this report.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 An equality, diversity, cohesion and integration screening has been carried out and it shows that the above has been considered as part of the new market strategy. Screening document attached as appendix 3.

4.3 Council policies and the Best Council Plan

- 4.3.1 Inclusive growth – the market supports independent business to thrive and grow, supports jobs within the local community allowing people of different back grounds to set up businesses within the city they live in.
- 4.3.2 Health and wellbeing – helps to promote healthy living through value for money products, supports and promotes healthy food via its businesses and working in partnership with LCC initiatives.
- 4.3.3 Child-friendly city – hosts family friendly events during holiday periods, works with local schools to give them access to the market, supports young trader markets in partnership with the National Market Trader Federation (NMTF).
- 4.3.4 Age-friendly Leeds – is registered with the cities “come in and rest” scheme allowing elderly customers to come into the market with no pressure to buy and meet up with friends when they visit the city centre.
- 4.3.5 Culture – opening up cultural events to the markets customer base , such events have seen community art projects set up for people to take part in, theatre productions, Japanese and Indian festivals, international piano and film festivals have all been hosted in the market and have proved very popular helping to draw in big crowds.

Climate Emergency

- 4.3.6 The market continue to review ways to reduce the amount of waste going to landfill from its tenants. Improvements have been made to the way the service recycles its waste. Working with city centre initiatives such as Hubbub and assisting tenants to sign up to become part of the national water refill station scheme. All cardboard waste is recycled and support is given to promote plastic free shopping to our customers highlighting the businesses within the market who support this. We promote that most food products are sourced locally from local suppliers and farmers and that our restaurants cook with the food sold in the market reducing food travel and waste.

4.4 Resources, procurement and value for money

- 4.4.1 The Council has made significant investment in the Market in recent years. This includes:

- 2014 - £16m invested in the infrastructure of the building, including a new roof for the 1976 and 1981 Halls, creating a new fresh produce area, market kitchen and event space.
- £1m invested in restoring four historic units one opening as the first gastro pub in the market (The OWL).

4.4.2 Going forward, the intention is for the actions outlined in the strategy to be delivered within the existing revenue and capital budgets that are committed to the Market currently. As part of the Council's Capital Programme approved by Members in February 2021, there is the provision of £7.17m towards further maintenance works at the Market. Should additional capital resources be required for any further refurbishment or development programmes then they would seek an injection into the Capital Programme as part of the Council's wider financial governance processes.

4.5 Legal implications, access to information, and call-in

4.5.1 There are no legal implications arising from this report.

4.5.2 This report is eligible for call-in.

4.6 Risk management

4.6.1 The major risk in not having a clear strategy for the market is that businesses will not have confidence in LCC as to the direction the market is heading, or show that LCC is committed to the long term sustainability of the market for generations to come. There is an additional risk that the market is unable to adapt to change and customer demands in a rapidly changing retail climate, the strategy aims to reduce that risk by setting out a clear direction for the market. It will be important to have flexibility built into the strategy to ensure the service has the ability to change and adapt to customer demands. If the service do not have clear actions and targets to achieve then the long term sustainability of the market would be at risk.

5.0 Conclusions

5.1 Kirkgate Market is a very important part of Leeds' retail offer, providing a venue for some 245 independent businesses. It fulfils an important in the city role both socially and economically and it is also a high profile part of Leeds' heritage .The market supports both local independent businesses and the diverse community it sits in.

5.2 Against this background and, recognising the challenges faced in the retail sector and the impact of the Covid Pandemic, it is important to have a clear strategic direction for the Market over the next five years that ensures the facility continues to be an inclusive, successful and sustainable part of our city-centre offer; an attractive, safe and welcoming destination and place for everyone, where people can experience Leeds, its people, heritage and culture.

5.3 The actions outlined in the strategy have been developed to help ensure the achievement of these objectives.

6.0 Recommendations

6.1 Executive Board is recommended to:

a) Note the detail within the Markets Strategy and to reaffirm LCC commitment to Leeds Kirkgate Market and agree the detailed actions contained within the strategy in order to achieve the five year strategy 2021-2026.

b) Agree that the strategy must remain flexible throughout to allow the market service to adapt to the changing nature of retail on the high street and recover from the impact of the Covid-19 pandemic.

c) Note that the Chief Officer, Operations and the Head of Markets will be responsible for the implementation of actions arising from the Strategy in accordance with the timescales contained with the Strategy itself.

7.0 Background documents¹

7.1 None.

8.0 Appendices

8.1 Appendix 1 - Full strategy document

8.2 Appendix 2 - Infographic

8.3 Appendix 3 - Equality, diversity, cohesion and integration screening

¹ The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.