

**Report of: Head of Markets**

**Report to: Director of City Development**

**Date: 8<sup>th</sup> March 2021**

**Subject: COVID-19 Coronavirus: Rental Support to Market Traders April to June 2021**

Are specific electoral wards affected?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If yes, name(s) of ward(s): No, whilst the individual markets are located in individual wards the approach to rental support for COVID-19 is City Wide	
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 type="checkbox"/> Yes <input checked="" 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:	

**1. Summary of Main issues**

- The COVID-19 Coronavirus crisis has resulted in significant pressure on all the markets across the City and traders. Whilst significant Central government support has been provided primarily to Indoor Market Traders, the Council has also provided support to Open Market traders by waiving fees during the period April – June 2020 and has offered a rental discount scheme for all market traders for the period July to December 2020 and this was continued for the period January 2021 to March 2021.
- Whilst signs were encouraging that footfall was starting to return in December 2020, following the 2<sup>nd</sup> lockdown. The country then entered a 3<sup>rd</sup> lockdown in January 2021 putting significant pressure on all traders across the City's Markets. The governments road map was released in February 2021 highlighting the return of retail will not be until the 12<sup>th</sup> April 2021 with restrictions planned to slowly ease over the following two months.
- It is therefore proposed that the existing rental discount scheme be continued for April 2021 to June 2021 with a headline set of measures including 50% discount for indoor traders and 100% discount for outdoor traders. A 50% discount for all indoor

and outdoor traders in May and finally a 25% discount in June. Given that Service Charge (where payable) reflects the Council's incurred costs, this will remain payable.

- It is proposed that the existing provision within the discount scheme for exceptional support being made available on a case-by case basis will remain to allow flexibility in assisting traders who are experiencing exceptional hardship as a result of COVID-19.
- The cost of the rent concession for a further three month period with a staggered reduction over the three months will be in the region of £125,000. The previous scheme operated within a £250,000 resource envelope which has now been used in the previous financial year. Approval is therefore requested for £125,000 to fund the discount scheme for the period 1<sup>st</sup> April to 30<sup>th</sup> June 2021. Any approved exceptional hardship requests will be contained within this funding envelope.

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

- The scheme contributes towards the outcomes of **Inclusive Growth Strategy**, including supporting the potential of independent retailers to remain a vital element of the City's economy during a period of unprecedented challenge.

### **1.2 Resource Implications**

- The cost of the rent concession for a further three month period with a staggered reduction over the three months will be in the region of £125,000. The previous scheme operated within a £250,000 resource envelope which has now been used in the previous financial year. Approval is requested for £125,000 to fund the discount scheme for the period 1st April to 30th June 2021. Any approved exceptional hardship requests will be contained within to this funding envelope.
- The overall cost of the Scheme can be managed within the Directorate's overall financial position for 2021/22, it should be noted however that the Directorate's budget for 2021/22 has a significant number of 'pressure points' as a result of the impact of COVID-19.

### **1.3 Recommendations**

- The Chief Officer, Operations approves the proposals set out above and authorises the reduction in income outlined.

## **2. Purpose of this report**

To request that the Chief Officer, Operations approves the proposals set out relating to support to market traders across the Markets Service and authorises the reduction in income arising from implementing the proposals.

### **3.0 Background information**

- 3.1.1 The Council operates a number of markets across the city most notably Kirkgate Market in the City Centre, which is home to 245 independent businesses and forms a key element of the City's retail offer. Moreover the market has a special place in the history and affections of generations of Leeds' residents.
- 3.1.2 Nationally the UK is continuing to experience a difficult retail trading environment and whilst there has been increases in footfall post lockdown the overall trading position is fragile. Leeds City Centre and the Markets across the City are not immune from this challenge.
- 3.1.3 Whilst significant Central government support has been provided primarily to Indoor Market Traders, the Council has also provided support to Open Market traders by waiving fees during the period April – June 2020 and has offered a rental discount scheme for all market traders on a tiered discount basis (minimum 25% raising to a maximum of 100%, linked to ability to trade) for the period July to September 2020. This was then followed with a flat rate 25% discount for the period October to December 2020, then 50% for indoor traders and 100% for outdoor traders for the forth lockdown period Jan – March 2021.

### **4. Proposals**

- 4.1.1 In support of traders it is proposed that the existing rental discount scheme be continued and broadly follows the outline of the Government's (at the time of writing) published roadmap for re-opening. This reflects three key dates of 12<sup>th</sup> April when non-essential retail is returned; 17<sup>th</sup> May when Hospitality is returned without major restriction and 21<sup>st</sup> June when all restrictions are removed. The discount proposals reflect this road map with:
- Discounts for April 2021 of 50% for indoor traders and 100% for outdoor traders. Applying the discount for the full month provides some allowance for increased need for traders to purchase stock and potentially reduced footfall as customer confidence increases. The differential for indoor and outdoor traders' discount reflects the understood position of government grants to support business.
  - Discounts for May 2021 at a universal level of 50% for all indoor and outdoor traders in May, this reflects an expected position that footfall levels and customer confidence should be increasing. To support traders it is proposed that the discount is applied for the whole Calendar month (rather than a part month reflecting the 17<sup>th</sup> May April change).
  - Discounts for June 2021 will reflect a 25% reduction. Whilst the expected re-opening position is that 21<sup>st</sup> June will see a general return to limited or nil restrictions, it is felt helpful to taper support to traders down rather than move to an immediate position of nil support. To further support traders it is again proposed that the discount is applied for the whole Calendar month (rather than a part month reflecting the expected 21<sup>st</sup> June change).
  - Given that Service Charge (where payable) over the entire period reflects the Council's incurred costs, this will remain payable.

- 4.1.2 It is proposed that the existing provision within the discount scheme for exceptional support being made available on a case-by case basis will remain to allow flexibility in assisting traders who are experiencing exceptional hardship as a result of COVID-19.

## **5. Corporate considerations**

### **5.1 Consultation and engagement**

- 5.1.1 The Deputy Executive Member for Markets and the Executive Member for Learning, Skills and Employment have been briefed on the proposals and are both supportive. Ward Members in areas with LCC Markets operating have been informed of the proposal.

### **5.2 Equality and diversity / cohesion and integration**

- 5.2.1 An Equality Impact Screening document has been completed. The proposals do not bring forward any direct or obvious implications given the universality of the proposed discount.

## **6 Council policies and the Best Council Plan**

- 6.1 The scheme contributes towards the outcomes of **Inclusive Growth Strategy**, including supporting the potential of independent retailers to remain a vital element of the City's economy during a period of unprecedented challenge.

## **7 Resources, procurement and value for money**

### **7.1 Revenue effects**

- 7.1.1 The cost of the rent concession for a further three month period with a staggered reduction over the three months will be in the region of £125,000. The previous scheme operated within a £250,000 resource envelope which has now been used in the previous financial year. Approval is requested for £125,000 to fund the discount scheme for the period 1st April to 30th June 2021. Any approved exceptional hardship requests will be contained within to this funding envelope.
- 7.1.2 The overall cost of the Scheme can be managed within the Directorate's current projected financial outturn position for the year, it should be noted however that the Directorate's budget remains under severe pressure as a result of COVID-19.

## **8 Legal implications, access to information, and call-in**

- 8.1 This decision is not eligible for call in.

## **9 Risk management**

- 9.1 There is a risk that the COVID-19 Coronavirus results in a longer term disruption to activity. The current proposals for a three month period allows for a review which can be cognisant of changes to the overall position.

## **10 Conclusions**

- 10.1 The provision of direct financial support to market traders affords the greatest opportunity for the Markets Service and individual markets to continue to trade during a continuing period of significant retail uncertainty.

## **11 Recommendations**

- 11.1 The Chief Officer, Operations approves the proposals set out above and authorises the reduction in income outlined.

## **12 Background documents<sup>1</sup>**

- 12.1 None.

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<sup>1</sup> 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.