

COVID-19 Coronavirus: Rental Support to Market Traders August - December 2021

Date: 7th July 2021

Report of: Head of Markets

Report to: Director of City Development

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

What is this report about?

Including how it contributes to the city's and council's ambitions

- 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 2nd lockdown. The country then entered a 3rd 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 12th April 2021 with restrictions planned to slowly ease over the following two months.
- A further rental discount scheme was issued in support as businesses returned to trading and was based on the governments four step road map. This consisted of 50% in April 2021 for indoor traders and 100% for outdoor traders. This then reduced to 50% for all indoor and outdoor traders in May and reduced to 25% in June. Service Charge (where payable) reflects the Council's incurred costs and this remained payable.
- Following the announcement of a four week delay to the removal of restrictions as part of the final step of the Government's road map, pushing the lifting of all restrictions back from the 21st June to the 19th July 2021. Based on this a rent concession of 25% discount for both indoor and outdoor traders was approved for a further four weeks.
- Footfall within the market continues to struggle along with the rest of the city centre and isn't showing any signs of a quick recovery to pre-pandemic levels. The market is currently surrounded by road works making access a challenge for customers and these will remain in place until the end of the year. Market traders have expressed their concerns regarding the recovery of retail and the potential departure of business if support isn't available.

- It is proposed further support of 25% rent concession for all traders is provided until the end of December 2021 to give businesses additional time to recover and to recoup some of the financial loss during peak trading during the build up to Christmas. The service would review the situation in December to decide if further concessions were needed to be put in place for Jan – March 2022.
- 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 25% rent concession for 1st August to 31st December 2021 will be in the region of £250,000 therefore approval is requested for an additional £250,000 to fund the discount scheme for the period 1st August to the 31st December 2021. Any approved exceptional hardship requests will be in addition to this funding envelope.
- 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.

Recommendations

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

Why is the proposal being put forward?

- 1 Footfall within the market continues to struggle along with the rest of the city centre and isn't showing any signs of a quick recovery to pre-pandemic levels and has remained stagnant over recent month's despite the lifting of restrictions that were restricting businesses to trade.
- 2 The market is currently surrounded by road works making access in and out of the market a significant challenge for customers, and these will remain in place until at least the end of the year.
- 3 There is concern that we will start to see more businesses in the market start to fail due to the recovery of retail taking a lot longer than initially envisaged, making it harder to then back fill units in the current climate.
- 4 Due to the above points it is proposed that the existing rental discount of 25% continues until the end of December 2021. Given that Service Charge (where payable) reflects the Council's incurred costs, this will remain payable.

What impact will this proposal have?

Wards Affected: Little London, City Centre and Woodhouse

Have ward members been consulted? Yes No

- 5 This will support will ensure local businesses within the market remain sustainable, as well as supporting their employees from the surrounding areas in jobs and ensuring the local community can buy fresh and quality goods at a reasonable price.

What consultation and engagement has taken place?

- 6 The Deputy Leader of Council and Executive Member for Economy, Culture and Education has been briefed on the proposal and is supportive. Ward Members in areas with LCC Markets operating have been informed of the proposal.

What are the resource implications?

- 7 The cost of the 25% rent concession for 1st August to 31st December 2021 will be in the region of £250,000 approval is therefore requested for £250,000 to fund the additional discount scheme for the period 1st August to the 31st December 2021. Any approved exceptional hardship requests will be in addition to this funding envelope.

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.

What are the legal implications?

- 8 This decision is not eligible for call in.

What are the key risks and how are they being managed?

- 9 There is a risk that the COVID-19 Coronavirus results in a longer term disruption to activity. The current proposals for an extension to the 31st December 2021 will allow for a review during December 2021 to assess the markets position at that time.

Does this proposal support the council's 3 Key Pillars?

- Inclusive Growth Health and Wellbeing Climate Emergency

- 10 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.

Options, timescales and measuring success

a) What other options were considered?

11 N/A

b) How will success be measured?

12 N/A

c) What is the timetable for implementation?

13 N/A

Appendices

14 N/A

Background papers

15 None