

Leeds Kirkgate Open Market Future Opportunities

Date: 14th December 2022

Report of: Director of City Development

Report to: Executive Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

Open Markets across the UK have suffered from a general decline in customer attendance and attractiveness to traders and the Open Market at Leeds Kirkgate Market has reflected this particular trend and so over a number of years, it has declined in terms of number of stalls occupied, due to a reduction in the number of traders attending on any given day. Whilst the Open Market remains important to the overall retail offer of the City Centre, the requirement to consider new ways to re-energise the Open Market was agreed in the Markets strategy agreed by Executive Board in March 2021.

This report seeks approval for a consultation exercise on a potential alternative complementary use of part of the open market site which whilst retaining the open market would involve its reduction in number of stalls and a re-orientation to a smaller footprint adjacent to the indoor market within the curtilage of the current overall market site.

Subject to approval, the report further seeks to agree that the outcome of the proposed consultation exercise is reported back to Executive Board at its next meeting scheduled on 8th February 2023.

Recommendations

- a) To approve a consultation exercise on the introduction of a new container food and beverage offer on part of the Open Market at Leeds Kirkgate Market.
- b) Note the interest in the site in relation to a food and beverage led container offer which would be complementary to the market and would react to latent demand in the city centre for this form of offering
- c) Subject to recommendation a) above, agree to receive an update on the outcome of the consultation at the next Executive Board meeting scheduled for 8th February 2023.
- d) Note the Director of City Development is responsible for implementation.

What is this report about?

- 1.1 The Open Market at Leeds Kirkgate Market is comprised of 185 open market stalls, consisting of a number of vertical and horizontal rows of stall, constructed of tubular steel with roof coverings and electrical supplies. The current layout arrangement for the open market and its positioning in relation to the Indoor Market is shown in Appendix 1. There was previously a proposal for changes to the Open Market layout which included the movement and reorientation of stalls and the creation of a small surface level car park adjacent to the Bus Station, but this proposal, whilst being put forward by trader representatives and supported by a majority of open market traders was met with strong opposition from a group of traders.
- 1.2 As set out in the Strategy for Kirkgate Market approved by Executive Board in March 2021, the importance of the market overall to the city and the value that markets traders brought to the independent retailing offer within the city cannot be overstated, however it was agreed that there was a need to consider ways to re-energise the look and feel of the open market and its connections to the indoor market. It is acknowledged that the Open Market has been suffering from a period of reducing demand for a number of years with occupation currently reflecting on average 80 to 85 stalls (this allows for all current licensed traders and an allowance for 'turn up on the day' casual traders). The reduction in the numbers of traders over the years has resulted in a corresponding reduction in income from the Open Market reflected below:

Table 1

Open Market Income		
Year	Income £,000s	Comments
2013/14	704	Pre-Market Kitchen Development
2014/15	639	
2015/16	531	
2016/17	510	
2017/18	500	
2018/19	498	
2019/20	383	
2020/21	151	Fee income discounted for Covid
2021/22	288	Fee income discounted for Covid

- 1.3 During the time period above there have been no general licence fee increases applied to the Open Market and therefore the numbers of traders attending, and income received to the Council would not appear to be related to increases in the price of stalls. There has also not generally been a similar reduction in trader occupation within the Indoor Market, which has performed better.
- 1.4 The reduction in occupation does not present the market in the best light, as it seems, due to its overall size, empty in places and lacking in activity. The reality is that number of stallholders and stalls taken on any given day remains significant at 80-85 and remains a large market in comparison to nearby towns and cities, but the overall area for the Open Market still reflects an overall size that could manage a far higher capacity of stalls. The

reduction in occupation trends seen at Leeds Open Market is not unique to Leeds and a number of markets across the Country have seen similar longstanding but slow reductions in occupation. Barnsley Council's regeneration of both their indoor and outdoor market saw a significant reduction in the number of outdoor stalls being rebuilt due to the drop off in outdoor traders. Both Huddersfield and Rotherham are planning for regeneration of their markets and both are looking to reduce the size of their outdoor markets as part of the plans. The NABMA (National Association of British Market Authorities) 2022 retail survey showed the biggest decrease in occupancy levels was of those for outdoor markets, it was also felt that these figures were masked and could be a lot worse due to so many outdoor markets reducing their footprint.

- 1.5 Accordingly, in the context of these background trends, it is considered unlikely that there will be a meaningful increase in demand for outdoor stalls in the foreseeable future. To that end it is recognised that proactive action will be needed that could include the repurposing of part of the Outdoor Market for a use that is complementary to the existing operation and adds footfall to the overall Market operation.
- 1.6 Executive Board will also be acutely aware of the difficult financial position of the Council as set out on other papers on this agenda. Considering the context of the underlying financial position of the Council, the financial situation for the Open Market is one that needs to be improved.
- 1.7 General footfall in the City Centre has returned overall to pre Covid levels, but with a change in pattern with increased footfall at weekends and a reduced footfall on weekdays. Executive Board will be aware that the hospitality offer in the City Centre is and remains strong with most types of hospitality and food and beverage provided by one or more operators. The City Centre however does not have any 'Container Food and Beverage' offer which exists in a number of major cities, some longstanding, including a number of venues in London and some relatively new offers including Liverpool, Sheffield and a proposal in development in Birmingham. Images of these types of offer are included in Appendix 2.
- 1.8 One factor in the situation in Leeds not having such an offer is the footprint that a container offer requires to be commercially viable and the lack of suitable locations within the City Centre and retail core, which would enable a development to proceed.
- 1.9 The Council has been pro-actively approached by a number of potential operators who have requested that the Council considers the open Market site as a potential location for such a development. Officers have held initial discussions with potential operators to consider the feasibility of any such scheme and are of the opinion that a scheme could be developed on the site which involved a reduction in stall numbers along with the reorientation of the Open Market to a smaller footprint on the existing site, which would meet the latent demand for stalls and would allow for the potential food and beverage container development to proceed. Such a proposal would still enable the existing number of stall holders to operate on the Open Market. Whilst the nature of any potential development remains subject to approval the Council has received representations that any development would seek to deliver on the following:
 - Communal space and industrial feel (some degree of stylistic differences between potential operators)
 - Seven-day operation which may provide greater opportunities for the open market's trading days increasing income to LCC
 - Potential for trader growth i.e. market barrow, market stall, container unit, core element of container F&B offer generating local employment opportunities
 - Willingness to work with LCC as a partner and to provide a significant income stream to the Council
 - Continued diversification of the offer of goods and services available at the market site

- Desire to be as complementary as possible to the market
- Daytime, early evening, night venue (12pm) – but NOT late-night venue and not focused on vertical drinking
- Desire for diverse mix of customers – age, demographic etc. with a specific weekend daytime focus on children/families
- Some element of entertainment offer
- The potential for this venue to be used for small and medium sized events, and therefore adding to the mix of events space offer that the city centre has.

1.10 As set out in the recently approved Strategy, the Council is of course committed to the future of the Leeds Kirkgate Market and would seek to ensure that any such development is complementary to the existing offer at the Market and would seek to secure a footprint for the reduced in scale Open Market that met its operational needs for power, lighting, access etc. Any proposal would be contained within the curtilage of the current overall market site. The Open Market, even on a smaller footprint would remain significant in size in comparison to other local towns and cities.

1.11 Executive Board is therefore requested to approve a consultation exercise with a range of stakeholders including Market Traders and their representatives, existing market customers, potential customers not currently using the market, Leeds BID, Markets Management Board, Elected Members and nearby businesses around the potential to relocate the existing Open Market to a smaller footprint on the site and to consider the future use of some of the existing site for a Food and beverage led container offer for the City Centre.

1.12 Executive Board is also recommended to receive an update report on the outcome of the proposed consultation at its meeting on 8th February 2023. This report will seek to set out the results of the consultation exercise and any subsequent next steps.

1.13 Subject to the outcome of the consultation exercise, should any development proceed it is envisaged that a competitive Expressions of Interest process around selecting a potential operator would be undertaken, based upon a wide criterion of beneficial outcomes to the Council and the City including income generation to the City Council.

What impact will this proposal have?

2.1 Should the proposal progress it is expected that the following impacts will be achieved:

- The Council will secure the future of the Open Market by securing income to offset reduced income from Open Market traders.
- The City Centre will benefit from a new offering to its hospitality offer which currently is unlikely to be achieved due to land constraints within the City Centre.
- The proposal will enhance the regeneration of the George Street side of the market, increase footfall to the Market, and complement the Hotel development recently approved by Executive Board.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

3.1 This proposal to move to consultation doesn't give rise to any significant issues however should the proposal progress beyond consultation the proposal would help to secure the longer-term future and viability of the Open Market albeit on a reduced footprint. This would bring benefits to individual traders whilst also helping to secure the benefits of small independent traders to the City as a whole. Any future development of the site would give rise to some impact to the Council's ambitions on Zero Carbon and careful consideration of

any implications arising would need to occur (probably through any planning application process) of both construction and on-going operation.

What consultation and engagement has taken place?

Wards affected: Little London and Woodhouse

Have ward members been consulted? Yes No

- 4.1 Leeds Kirkgate Market is located in Little London and Woodhouse ward but is regarded as a City wide facility given its importance to the City.
- 4.2 A number of Elected Members are aware of the overarching nature of the proposal due to it being shared with the Elected Members who serve on the Markets Management Board.
- 4.3 As set out in 1.11, should Executive Board agree this decision to consult on the proposal Elected Members will be included in the consultation exercise.
- 4.4 An Equality, Diversity, Cohesion and Integration (EDCI) screening has been completed and is attached as an appendix.

What are the resource implications?

- 5.0 There are expected to be limited resource implications associated with, subject to approval, this decision to commence consultation and move forward with a process of selecting a potential delivery partner. Should the potential development progress however there is a potential significant income stream to be secured, which would be quantified during any selection/expressions of interest process. This will help to address shortfalls in income against current budgets. Any capital investment required as part of the proposal will also be determined as part of the selection/expressions of interest process.

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

- 6.0 There are no obvious risks to the Council in progressing a consultation process. Subject to the potential development progressing there are risks associated with the management of stakeholder relationships especially of market traders and their representatives, any risks would however seek to be mitigated by a commitment to open and transparent engagement with market traders around any issues that they identify. Any risks associated with any future development i.e. post consultation would be held by the operator and would include any risks associated with securing the necessary planning and regulatory consents required. With regard to any future development which might come forward, a pre-application process by any potential operator would be strongly advocated, in order to help facilitate a detailed and early discussion regarding the Planning merits of potential proposals.

What are the legal implications?

- 7.0 There are no obvious legal implications of commencing the consultation process. There are no implications in relation to trader occupation as occupation is on a licence basis which requires minimal notice of any change (seven days). Any movement of stallholders would sought to be delivered by means of a fair, equitable and transparent process of identifying stalls for individual traders.

Options, timescales and measuring success

What other options were considered?

- 8.0 Given the financial pressures the Council faces and the overriding context of continuing reductions in open market traders locally, regionally, and nationally there are no obvious alternatives other than:
- Do nothing, which would result in a continued managed decline of the open market and further challenges around income
 - Consider alternative uses of the site which do not secure the future use of the site for the delivery of an open market. This has been discounted due to the view that retaining an element of open market provision provides important retail activity whilst also complementing the indoor market. This also reflects the Council's ongoing commitment to the Leeds Kirkgate Market as a whole.

How will success be measured?

- 9.0 The consultation process will be measured by quantity and quality of responses.

What is the timetable and who will be responsible for implementation?

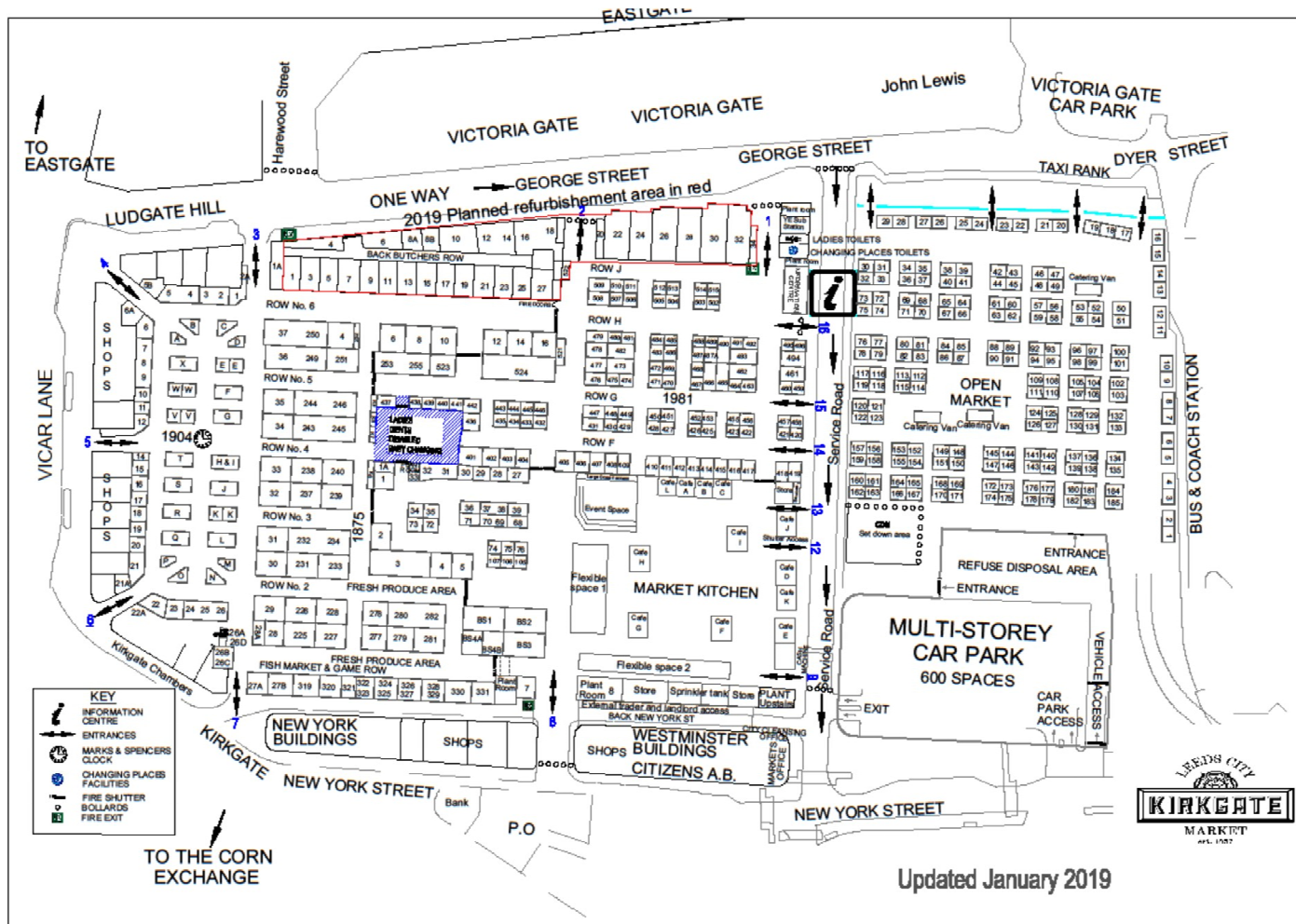
- 10.0 Subject to any call in, immediate implementation by Chief Officer Operations and Active.

Appendices

- Appendix 1 – Layout of Existing Open Market and positioning in relation to the Indoor Market
- Appendix 2 – Examples of existing and similar F&B container led developments
- Appendix 3 – Equality, Diversity, Cohesion and Integration (EDCI) screening

Background papers

- None.



SPARK, location : York



BOXPARK, location : Shoreditch



STACK, location : Seaburn



HATCH, location : Manchester



Cargo, location : Bristol



