

Leeds Kirkgate Open Market Future Opportunities – Consultation Response and Next Steps

Date: 8th February 2023

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

Executive Board at its meeting on 14th December 2022 agreed for a consultation exercise to be undertaken on the potential introduction of a new container food, beverage and entertainment offer on part of the Open Market at Leeds Kirkgate Market.

This report seeks to provide to Executive Board the findings of that consultation exercise and sets out a set of proposed 'next steps' which if approved would continue to deliver on the Council's commitment to support the market which includes over £25m of previous and planned investment into refurbishing the market and delivering a better retail and food led offer alongside direct support to traders including over £1.4m or rental discounts during Covid and the initial Covid recovery period, all as outlined at 1.1 below.

The consultation exercise undertaken has included market traders, the public, councillors and other stakeholders with an interest in the market. Overall, 2,112 people completed an online survey with 71.5% generally supportive of the proposal. There was only a small response from market traders with some specific concerns about the potential competition a new offer might create, which would need further consideration as any detailed proposals come forward.

Recommendations

Executive Board is requested to:

- a) To note the findings of an approved consultation exercise on the introduction of a new container food, beverage and entertainment offer on part of the Open Market at Leeds Kirkgate Market.
- b) Note the outcome of the agreed consultation and that the overall findings can be broadly categorised as:
 - Trader Consultation Outcome

- Public/Shopper Outcome
- Partner/Stakeholder Outcome

c) Taking into account a) and b) above to agree the following next steps:

- Continue to engage with market traders around the concerns some of them have with the proposal specifically around the need for any development to be as complementary as possible to the market.
- Delegate approval to the Director of City Development, in consultation with the Deputy Leader of Council and Executive Member for Economy, Culture and Education, to market the site as a suitable location for a potential container led food, beverage and entertainment offer.
- Delegate approval to the Director of City Development, in consultation with the Deputy Leader of Council and Executive Member for Economy, Culture and Education, for the selection of a potential operator.
- Progress the potential delivery of the proposal in accordance with the Council's standard processes for a land and property transaction.

d) Note the Director of City Development is responsible for implementation.

What is this report about?

1.0 At its meeting on 14th December, Executive Board approved a consultation exercise around the potential for a food, beverage and entertainment container led offer which would involve a reduction in the number of stalls and re-orientation of the Open Market, which has for a period of time operated below its full capacity [Link to Executive Board Paper 14th December 2022](#). The consultation exercise was agreed following an analysis of reducing trader attendance and income and against a backdrop of commercial interest in Leeds for a food, beverage and entertainment offer as outlined in the report on 14th December and in the context of the Council's investment into the Market in recent years, which includes:

- £14m invested in refurbishment in 2016 which saw the creation of the market kitchen and event space along with improvements to drainage/fire systems and refurbishing units on fish and game row.
- £1m invested in 2019 refurbishing a number of historic units, demolishing old units within the 1981 hall and building new fit for purpose units for those traders, as well as building three new units in the market kitchen, all of which let straight away.
- Traders have been supported with free social media training by specialists Leeds Boost for two years to help them promote their businesses to a wider audience.
- Investment by the Markets Service in events and communications which sees a fully booked events calendar year on year bringing new and exciting events to the market, helping to bring in added footfall and new customers as well as promoting the market far and wide.
- During the pandemic and as part of the recovery from it, traders were supported with over £1.4m of rent concessions, over and above the grants received from government to help support retail.
- A current round of investment in the refurbishment of the historic block shops within the market, at an estimated cost of £10m, which will bring these unlettable units up to a high standard so modern day businesses can trade from them.

- The Council has sought to protect rents at the market over a sustained period with the last rental increases being in 2011 for both the Indoor and Open Market.

1.1 This report seeks to present back to Executive Board the findings of the consultation exercise.

1.2 The report to Executive Board was published on 14th December and was supported by a press release which was picked up by a variety of local media. Trader representatives were notified of the proposal just before publication and upon publication all traders at the Market were emailed out with the detail contained within the report, supported by a set of 'frequently asked questions'. Nine drop-in sessions were arranged for the trading days immediately after the publication of the report to allow for traders to further engage with Market management around the proposal. One indoor and two outdoor traders attended sessions. The themes identified by the three traders who attended are set out in 1.9 below.

1.3 Upon approval of the report to Executive Board on 14th December the following activity was undertaken:

- An online questionnaire was distributed to every member of the LCC citizens panel, launched on the Market Service's social media channels and also posted on the LCC staff website. The questionnaire was open to any respondent seeking views on the proposals, the questionnaire sought responses on a range of issues including:
 - Perspective of the Open Market as a trading venue
 - The public's interest in the proposal for a food, beverage and entertainment concept
 - The likelihood of customers who visit the container offer also then visiting the market
- A separate questionnaire, supplemented by engagement as set out in 1.2 above was distributed to all Market traders. This questionnaire was different to the online questionnaire detailed in 1.3 in that it was designed specifically for market traders with questions relating to how they felt the proposal may affect their business on the market.
- Engagement with a range of stakeholders including:
 - All 99 Elected Members of LCC
 - Leeds BID
 - Victoria Gate Shopping Centre Operators
 - NCP
 - WYCA as operator of the bus station and bus operators
 - Playhouse Theatre
 - SLBPR - SOYO development
 - Leeds Civic Trust
 - Leeds Hotels and Venues Association
 - Police and Police Licensing
 - Representatives of the Licencing trade within Leeds and the Council's Licencing Services.
 - West Yorkshire Police (general matters and licencing)
 - Independent licensed premises close to the market.
 - Private operator of the Wednesday Bazaar market

- 1.4 The consultation exercise took place between 14th and 29th December 2022. A range of views were submitted across all elements of the consultation exercise which can be summarised as set out in Sections 1.9 to 1.13 below.
- 1.5 A full consultation outcome report is attached as Appendix 1. The broad outcomes from the consultation grouped by trader, public and stakeholder responses are set out below.
- 1.6 The online questionnaire received a significant amount of interest with 2,112 completed questionnaires returned. 2,060 (95.7%) of these were from members of the public. 71.5% of these respondents were generally supportive of the proposal and stated that they would visit a container food, beverage and entertainment offer if it was built on the open market
- 1.7 However, the response from Market traders and external stakeholders was low. Out of 225 market traders only 3 traders attended one of the nine consultation sessions held, 13 traders returned the trader survey and 12 traders completed the public survey. The consultation responses from traders were mixed, with the significant majority expressing no view through the consultation exercise. For the traders that did respond, on balance (considering consultation responses, direct engagement with traders and a submitted petition against the proposal) there would appear to be less support for the proposal in comparison to the public support.

1.8 Market Trader Responses

As set out in 1.2 a series of 'drop-in' sessions were arranged for market traders, attendance at these sessions was very low with just three attendees (one indoor and two outdoor), the themes identified in the sessions from these three traders included:

- The proposal will generate significant and unfair competition to the existing market traders, especially the food traders in the Market Kitchen.
- The overriding priority of the appointed operator will be to maximise their own profit and not to develop a relationship with LCC to complement and enhance the market offer.
- The proposal will become a stand-alone operation which isolates itself from the market in terms of accessibility including opening days/hours.
- The proposal will generate more anti-social behaviour issues
- People attending the new container venue will not then shop on the outdoor or indoor markets.

All indoor and outdoor market traders received a questionnaire. In total 13 traders completed and returned the questionnaire, 7 from the indoor market and 6 from the outdoor market.

Summary of responses to the three main questions:

Question - will the proposal drive footfall to the market?

5 respondents stated yes, 7 no and one response was ambiguous.

Question - will the proposal affect their market business?

4 stated yes it would affect the market in a positive way, 4 in a negative way, 3 said it would have no impact and 2 responses were ambiguous.

Question - if the proposal is built elsewhere in the city centre what would the impact be on the market?

8 stated no impact, one said it would be positive, 3 thought the impact would be negative and one did not comment on this question.

Qualitative responses – see appendix 2: *summary of qualitative comments received from stakeholders*

Despite being issued with a bespoke questionnaire 12 traders also completed the online questionnaire. Given that this only equates to 0.57% of the overall responses this data has not been extrapolated from the member of public consultation outcome report

Finally in addition to the engagement sessions and questionnaire opportunities market traders also created a written petition opposing the proposal on the basis that it would be detrimental to their businesses especially following the difficult trading conditions relating to Covid and the current cost of living crisis. A total of 34 individual traders signed the petition.

1.9 Member of the public responses

2,112 completed the online questionnaire. 2,060 (95.7%) of these were from members of the public.

Appendix 1 is the detailed consultation outcome report including an analysis of the completed online questionnaires received. Headlines from this as follows:

- 42.7% of respondents have previously visited a container food, beverage and entertainment offer elsewhere.
- 71.5% stated that they would visit a container food, beverage and entertainment offer if it was built on the open market and would be most likely to attend on a Saturday (28.1%), a Friday (21.7%) and a Sunday (17%). The most popular time to attend is between 1pm and 5pm (48.1%), followed by between 5pm and midnight (42.8%) and lastly between 9am and 1pm (9.1%).
- 75.7% of respondents stated they eat/shop at the market with 24.3% stating they don't. 91% of respondents stated that they would be somewhat likely or very likely to visit the market when coming to the container venue.

Some detail on qualitative responses is also contained within appendix 1, and in particular a 'word cloud' is included to provide a sample of most frequently made comments.

1.10 Stakeholder Responses

17 questionnaires were circulated to the external stakeholders listed in 1.3. One fully completed questionnaire was received along with general comments from 4 other stakeholders, one of which was from LCC colleagues with advice limited to the statutory aspects of the proposal.

Qualitative responses – see appendix 2: *summary of qualitative comments received from stakeholders*

1.11 Councillor Responses

10 councillors completed the online questionnaire. 2 made comments directly to the Market team via email. Given that this only equates to 0.47% of the overall responses this data has not been extrapolated from the member of public consultation outcome report however a detailed summary of Elected Member responses is included as Appendix 3.

1.12 Summary of Responses and conclusion

The online questionnaire received a significant amount of interest with 2,112 completed questionnaires returned.

However, the response from Market traders and external stakeholders was low. Out of 225 market traders only 3 traders attended one of the nine consultation sessions held, 13 traders returned the trader survey and 12 traders completed the public survey.

Considering the responses as set out above, it is clear there is a balance of opinions on the proposal. There is strong support amongst members of the public and also people who do not currently use the Market regularly who believe that the proposal would add significant value to the City Centre.

Conversely, for those traders that did respond, there were a number of concerns expressed. In particular some of the Market Kitchen traders felt that the proposal should not proceed on the basis that the proposal will bring forward unfair competition rather than a complementary use. One of these traders attended three of the consultation sessions and subsequently submitted a petition to Market management with 34 signatures from traders across the market opposing the proposal.

Some respondents, mainly existing market traders, were receptive to the proposal but would like assurances around the operational impact that any proposal would have on the continued operation of the Open Market and its synergies to the Indoor Market.

Overall, there was no clear consensus on other ways of securing the longer-term future of the market, given the challenges of reduced trader attendances.

- 1.13 The concerns from the two Open Market traders who attended a consultation session reflected a view that the proposal would in some way lead to the Open Market eventually closing. It should be stressed that the proposal, if approved, would secure the future of the Open Market, despite the reduction in income over the years, albeit in a relocated and reorientated position. Whilst the concerns of the Indoor Market traders around competition are considered reasonable, it would be hoped that by taking a partnership approach with any successful operator the complementary nature of the proposal could be strengthened. Also, the proposal could allow for a continued progression for traders and by enhancing the current route of traders progressing from a barrow, to a stall, to a shop, thereby securing the growth of individual businesses and allowing for space for traders to grow whilst at the Market.
- 1.14 Whilst there is a mixed response from market traders there is an overwhelming response in favour of the proposal from the general public with 71.5% saying they would visit the venue if it was built on the outdoor market. It is also worth noting that 75.7% of respondents stated they eat/shop at the market with 24.3% stating they don't.

91% of respondents stated that they would be somewhat likely or very likely to visit the market when coming to the container venue on the market. This would potentially help to attract those members of the public currently not shopping at the market (24.3%) to come and visit it at the same time generating new footfall.
- 1.15 On the basis of the consultation responses the proposal would seem to have merit and therefore the initial recommended 'next steps' in relation to this proposal would be to continue a dialogue with stakeholders and in particular the current traders at the Market around the proposal whilst commencing the marketing of the opportunity.
- 1.16 The proposed 'next steps' in relation to marketing the opportunity and sourcing a tenant will be to seek interest from operators who have already made themselves known to the Council and to seek interest via specialist property media. This should allow maximum reach and ensure that the Council attracts a wide range of providers and allows them to bid should they wish to.
- 1.17 It is proposed that a competitive informal tender process will be undertaken to select the successful prospective tenant and may include shortlisting providers with a further selection exercise to choose a preferred provider as the new tenant of the site.

- 1.18 Subject to approval of the continuing engagement with market traders around the proposal as set out at 1.16 to 1.17, Executive Board are requested to formally:
- a) approve that the Director of City Development, in consultation with the Deputy Leader of the Council and Executive Member for Economy, Culture and Education market the site as a suitable location for a potential container led food, beverage and entertainment offer;
 - b) delegate approval to the Director of City Development, in consultation with the Deputy Leader of the Council and Executive Member for Economy, Culture and Education, for the selection of a potential operator and progress the potential delivery of the proposal in accordance with the Council's standard processes for a land and property transaction.

What impact will this proposal have?

- 2.0 This report, dealing with the results of the agreed consultation arrangements doesn't give rise to any particular impacts beyond that set out to Executive Board at its meeting on 14th December 2022:
- 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

- 3.0 This report, dealing with the results of the agreed consultation arrangements doesn't give rise to any particular impacts of the Best City Ambition beyond that set out to Executive Board at its meeting on 14th December 2022. Should the proposal progress it is believed that it 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. Moving forward with the proposal would need to consider the 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

- 4.0 This report sets out the outcome of the consultation and engagement activities associated with the proposal.
- 4.1 An Equality, Diversity, Cohesion and Integration (EDCI) screening has been completed and is attached as an appendix.

What are the resource implications?

- 5.0 This report, dealing with the results of the agreed consultation arrangements doesn't give rise to any particular resource implications beyond that set out to Executive Board at its meeting on 14th December 2022. There will be some resource requirement mainly in officer time in relation to the marketing of the site (subject to approval being forthcoming).
- 5.1 As previously reported 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 This report, dealing with the results of the agreed consultation arrangements doesn't give rise to any particular impacts beyond that set out to Executive Board at its meeting on 14th December 2022. Any risks associated with any future development 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 essential in order to help facilitate a detailed and early discussion regarding the Planning merits of potential proposals.

What are the legal implications?

- 7.0 This report, dealing with the results of the agreed consultation arrangements doesn't give rise to any particular impacts beyond that set out to Executive Board at its meeting on 14th December 2022.

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 Subject to approval, delivery of any proposal will be measured by the outcome of a successful operator and a deliverable scheme which will add value to the market and the wider city centre and which will provide a valuable income stream to the Council.

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 Leeds.

Appendices

- Appendix 1 - detailed consultation outcome report
- Appendix 2 - summary of qualitative comments received from stakeholders
- Appendix 3 - summary of responses from Elected Members
- Appendix 4 - Equality, Diversity, Cohesion and Integration (EDCI) screening

Background papers

- None