

Report of the Strategic Director of Place to the meeting of Regeneration and Economy Overview and Scrutiny Committee to be held on 6th March 2018

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Subject:

City Centre Markets Refurbishment Proposals

Summary statement:

This report will update Members on the refurbishment proposals for the city centre markets

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Portfolio:

Regeneration, Planning and Transport

Overview & Scrutiny Area:

Regeneration and Economy

1. SUMMARY

- 1.1. This report will update Members on progress on the strategic options for the two city centre markets and report progress since the last report update on 8th March 2017.

2. BACKGROUND

- 2.1 On 31st March 2017, market tenants were informed in writing of the decision by the Council to review its city centre markets and the part of the city centre known as the 'Top of Town' and were presented with initial proposals which were as follows:
- The Council has taken an option to purchase the former Marks & Spencer building on Darley Street with a view to creating a new food-focused market.
 - Kirkgate Market will receive significant investment to refurbish and modernise with better integration into the Kirkgate Shopping Centre.
 - Once the above investments are complete and open to the public the Oastler Centre will close. The whole site will then be redeveloped primarily for housing, which in turn will support North Parade and nearby streets to strengthen links with the rest of the city centre and support the café and evening economy.
- 2.2 The first step in consulting on these proposals took place at the City Centre Retailers' Meeting in City Hall on 6th April 2017.
- 2.3 On 10th April 2017, a circular letter was issued to all traders to commence the initial consultations on the Council's proposals for its city centre markets.
- 2.4 A total of 127 tenants were contacted and given the opportunity to comment on our redevelopment plans.
- 2.5 120 tenants completed a survey with 7 tenants that did not respond despite several reminders either through visits to their unit(s) and letters/emails sent to their home and/or business addresses.
- 2.6 94% of traders did complete the survey and provided their views on the Council's proposals.
- 2.7 Traders were asked their views on four key questions:
1. Whether they agreed with the Council's proposals to create a food focussed market in the former Marks & Spencer building on Darley Street and a non-food market in a refurbished Kirkgate market.
 2. Their views on creating a food focused market in the former M&S on Darley Street.
 3. Their views on creating an enhanced non-food offer in Kirkgate Market.
 4. If these proposals were approved where they would consider trading from.

2.8 The results of the initial consultation exercise were:

- 78% of traders are in favour of the Council proposals to create a food focused market in the former M&S building in Darley Street and an enhanced non-food offer in a refurbished Kirkgate Market.
- 60% of traders are in favour of creating a food focussed market in the former M&S building, Darley Street.
- 59% of traders are in favour of creating an enhanced non-food market offer in a refurbishment Kirkgate Market.
- Traders' preferences on future trading location indicated that:
 - 19 traders preferred to trade in the former M&S building
 - 62 traders preferred to trade in a refurbished Kirkgate Market
 - 4 traders preferred to trade in a different location
 - 33 traders preferred to trade in a refurbished Oastler Centre
 - 2 traders would cease trading

2.9 The general themes from traders who disagree with the proposals cited the main reasons being the reservations with creating a separate food and non-food market. Other comments related to the over representation of similar goods and too much competition as non-food traders in Kirkgate Market and Oastler Centre will compete in one location. Many traders defaulted to the position of leaving things as they are and just refurbish both markets. Other general comments mentioned by traders were the priority for stall allocations and the timescale was too long to halt the on-going decline. Compensation for traders was another general theme.

3. Progress

3.1 In order to take the market proposals forward the Council undertook a comprehensive tendering exercise in June 2017 to appoint experienced consultants to design and deliver this project.

3.2 The Council invited submissions from lead consultants who can provide or build a multi-disciplinary team to cover a broad range of tasks to include, but not be limited to, Project Management, Architectural Design Services, Quantity Surveying, Structural Design, Mechanical & Electrical Design, building works supervision.

3.3 In particular the Council were seeking firms or teams who can demonstrate:

- Success in assembling and leading multi-disciplinary teams to deliver robust and commercially viable design solutions and implementation strategies with public sector clients.
- Success in the design and construction of complex building refurbishment projects.
- Demonstrable retail experience, preferably including the design and phased refurbishment/development of retail markets.
- Good current knowledge of local and national market trends and trading conditions.

- 3.4 In August 2017, the Council appointed a multi-discipline team of professional services to develop the markets scheme for Kirkgate Market and the former Marks & Spencer building on Darley Street.

The multi-discipline design team is made up of the following services:

- Architectural Design - Greig & Stephenson
 - Project Management - Black Cat Building Consultancy
 - Chartered Quantity Surveyors – Tozer Gallagher LLP
 - Consulting Engineers – Sanderson Watts Associates
 - Electrical Engineers - Ian Williams Partnership
- 3.5 The external design team have a wealth of retail experience particularly in markets having been involved in the redevelopment of Borough Market, London, Camden Market, London, Leicester Food Market, Leeds Kirkgate Market, Preston Market, Sheffield Moor Market as well as markets across Europe and the Far East.
- 3.6 Work on the RIBA Stage 1 initial feasibility study and designs for both markets commenced in September with the design team holding meetings with tenant representatives to consider their views during the design planning. These meetings were very productive and tenants felt their views were being considered throughout the initial design stage.
- 3.7 The design team undertook further refinement work to develop the project to RIBA Stage 2 designs which was completed at the end of December 2017.
- 3.8 The designs are currently being appraised by senior officers and, subject to approval, it is expected they will be presented to the Council's Executive later this year for approval, including funding of the scheme, the purchase of the former M&S building, commencing detailed discussions with traders and proceeding to detailed design stage, planning approval and appointment of contractors to undertake the works.
- 3.9 Discussions are also taking place with the Kirkgate Centre owners on how they can support the Council's ambitions, especially for improving Kirkgate Market, which may involve them carrying out changes to their centre to improve the markets visibility both from the mall and at street level.

4.0 The Council's Vision for Bradford City Centre Markets

- 4.1 The vision for the city centre markets is to develop and sustain an attractive, inviting and vibrant city centre retail market that offers a diverse range of goods to meet the need of our community that will add value to the economic, social, environmental and cultural fabric of Bradford City Centre and provide a shopping location that creates a dynamic vibrant and diverse experience.
- 4.2 The hot food catering offer will be provided by quality independent traders promoting foods from across the globe that will provide informal and communal seating to allow customers to linger and experience the theatre of markets.

- 4.3 The food focused market should acknowledge the heritage and history of Darley Street as a historic market street whilst meeting the needs of the modern consumer in a market building that is fit for purpose in the 21st Century.
- 4.4 The market will offer the best of local and regional fresh food and be recognised as a centre for food retailing excellence and a key shopper destination in Bradford City Centre.
- 4.5 Both markets will set the national benchmark for modern designed contemporary markets and their designs should allow the opportunity for new entrepreneurs to test their business ideas in a flexible trading environment.
- 4.6 The food focussed market in this location could extend out and animate Darley Street with regular specialist markets taking place.
- 4.7 Taking into account both local and national trends in markets, the current vacancies in both markets and commercial advice provided to the Council suggests that the optimal size of Bradford's City Centre market offer going forward will need to be reduced.
- 4.8 The fresh food and food related goods and businesses should be the focus of the future markets offer as this provides great opportunity for a diverse international food offer that reflects the socio-demographic profile of the district.
- 4.9 This project will see a reduction in non-food retailing as the non-food traders in the Oastler Centre and Kirkgate Market will be consolidated onto one site in a redeveloped Kirkgate Market.
- 4.10 The future of any market is to remain relevant to the local population and to capture the spend of those who are already shopping in the city centre.
- 4.11 The location of the new market will partly pre-determine the socioeconomic characteristics of its customer base and whilst our aspirations will be to attract customers with higher disposable incomes there will, however, remain a core of traditional customer element within the market from the socio economic grouping of C2, D's, E's and this will be recognised when planning the product offer and design of both markets.
- 4.12 The local shopping community will visit their market to both shop and eat with a growing national trend for traders to add value through advising customers on how to use the fresh produce available in the market to prepare ready to cook meals at home or provide dishes to eat in expanded market stalls through sit up bar dining.
- 4.13 Customers enjoy the theatre of the market and the real life experience of being part of a local culture. The food focussed market has the real potential to become a key city centre shopping destination appealing to the wider demographic.
- 4.14 Many markets are turning to the health agenda for inspiration to increase the 'edutainment' aspect and participation of a visit to the market. The recent much publicised push for food sustainability together with the explosion of interest in cooking shows for entertainment brings many more people to visit specialist fresh

food traders in our markets, seeking out ingredients to emulate their food heroes seen on television.

- 4.15 In the future, we will support traders to understand customers and target ranges and products much more sensitively and to react much quickly to changes in retailing demands.
- 4.16 The architectural concept is to consider the qualities of traditional market halls once found in Bradford and other parts of the UK and to interpret these through a contemporary design.
- 4.17 It will be critical that both buildings are lifted by the quality, vibrancy and theatre of the traders and their retail offer within. The key to the proposals will be to identify the best traders from the existing markets offer so that traders who wish to relocate to the new market will be able to 'trade up' to meet the higher level of aspiration and investment needed and being provided. Those existing traders can be supported by new traders that will be brought in to strengthen the identity of the markets and to improve the offer of those traders that may have traded in the same way for many years.
- 4.18 A key aspect of the design is to make both market significantly more visible and permeable and openly accessible to passing pedestrians and shoppers. The food focussed market should have strong pedestrian links not only horizontal but also vertical. The building will allow as much natural light, and ventilation, as possible so it can function as a working market and have a completely new identity from the previous use as a Marks & Spencer store. The treatment of the frontage is a key design objective with clear access from Darley Street.
- 4.19 Vertical circulation should have a clear visual connection to encourage customer footfall to the 1st floor and ideally views of the 1st floor trading activity should be visible from street level.
- 4.20 To allow the food focussed market to function more efficiently and to widen its appeal to a new demographic of shopper it will be important that the market has the opportunity to trade throughout the day and early evening. The proposed introduction of hot food/café elements should promote a more independent identity and link with the current city centre evening economy.
- 4.21 Markets thrive where high levels of footfall exist as purchases tend to take place little and often and this highlights the importance of creating a permeable trading environment which has key primary routes, minimising secondary routes. The number of key internal pedestrian routes should be minimised to encourage more shoppers to pass each stall in relative ease.
- 4.22 The noise, character and 'buzz' should be captured so that customers want to browse and experience the market and will feel more at home in an enriching, lively environment.
- 4.23 The stalls shall remain flexible where tenants can have their space tailored to their individual requirements, which can be easily amended to allow for expansion or reduction in floor space dependant on business needs or seasonal variations. It

should also allow for changes in layout if the complex process of design and adjustment is needed to achieve greater success in the completed market layout.

- 4.24 Central space for casual and/or pop-up stalls or small events should be accommodated. Cooking is very fashionable and alongside food tourism, educating by demonstration is now a popular pastime for people demanding hands on involvement in skills lost with our past generations. An exhibition or demonstration area is an excellent feature to include for occasional/full time use - for school children and adults alike.
- 4.25 The stall design should be able to incorporate the different styles of trading whether 'walk in' sales or 'over the counter' sales, or hot food, fresh food or non-food activities. Each stall should ideally have a service point with access to water, electricity (gas if required), drainage, telephone or IT services. 3 phase electricity may be required for certain stalls. Particular attention will be given to drainage for hot food stalls and the prevention by traders to disposing oil or fats into the drainage systems.
- 4.26 The tenant mix will be key as the new market must deliver produce or product relevant to what the shopper wants to buy and therefore traders moving into the market will need to be carefully selected. Who should be retained (and who should not) is part of a process that needs to be carefully managed. This will necessitate an application process with specified allocation criteria being undertaken of the indoor traders to establish who will be offered space in the new markets.
- 4.27 A panel consisting of a Market Service representative and the National Market Traders' Federation. Invitations will be issued to the Chamber of Trade to become panel members.
- 4.28 An interview process will follow which will ensure that the quality traders are retained and positioned in high profile areas, while sensitively considering the future of those that will not add value.
- 4.29 It will be important to have quality guidelines developed and a selection process instituted in order to ensure that the new trader is offering a wide range of high quality produce.

5. Anticipated Project Timetable

- Stakeholder/Public consultations – commence in April 2017 and continue throughout 2017 and 2018.
- Planning & detailed design works - 2018 -19
- Tendering, construction and fit out - 2019-20
- Opening early 2021

6. Trader Support Programme

- 6.1 The Council has recognised changes to the retail core shopping area following the opening of the Broadway Centre and this change has seen new retail and leisure opportunities being developed in this part of the city centre. The closure of the Morrisons store on Westgate has had an impact on the viability of the Oastler

Centre and contributed to a decline in occupancy levels and customer footfall. Whilst there has not been the same impact in Kirkgate Market there has also been a decline in occupancy levels, which is also replicated in the Kirkgate Shopping Centre.

6.2 For these reasons, the Council announced in April 2017, its plans to review its city centre markets.

6.3 Traders have been consulted on these plans and generally are supportive of them, however, two main themes arose from the consultations. Firstly, traders were concerned about the viability of their businesses and whether they could remain viable during these major changes and, secondly, were concerned about the length of time before the redevelopment works would be completed.

6.4 The anticipated project timetable is typical for a project of this scale and has been recommended by our design team as being realistic and deliverable whilst taking into account the need to minimise any business disruption to traders. The Council remains committed to undertake the works in a timely manner and whilst our plans for the city centre markets are being developed we are providing on-going business and financial support to existing traders and have announced the following financial support package:

a) Annual Service Charges

- It has been agreed not to implement any service charges increases for three years until the 2020/21 reviews.
- This means, due in part to efficiency savings, that for the traders in the Oastler Centre their current service charges remain at the same level for 7 years and based on the service charges levied in November 2013. Traders in Kirkgate Market will see their service charges remain at the same level for 11 years and based on the service charges levied in October 2009. In addition, traders at the Oastler Centre have not had their rents increased since 1993 and Kirkgate Market have not seen their rents increased since 1996.

b) Vacant Stalls

- In order to improve the internal trading environment we are offering existing traders the opportunity to use any adjacent vacant stall(s) to display the range of goods or services they offer. The stall(s) will need to have been vacant for a minimum of six months and it will continue to be advertised as available for letting.
- Each stall that has been vacant for six months will be offered at a weekly charge of £10.00 + VAT.

c) Markets Shuttle Bus

- In November 2017 we launched a new shuttle bus service that will operate between the Interchange and the Oastler Centre in conjunction with a local bus company TLC Travel Ltd and West Yorkshire Combined Authority.

- This will make it even easier for our existing and new customers to visit the Oastler Centre from the bottom of town.
- The new Markets Shuttle service will be provided by TLC Travel Ltd as part of their existing routes in the city centre, with two buses an hour going direct from the Interchange to outside of the Oastler Centre on John Street.
- TLC Travel Ltd has announced this service will have a special fare of just 50p each way, all concessionary or free passes will also be valid.

d) Business Support Services

- In November 2017, the Council appointed Bradford Trident to provide free business support & advice services to all tenants at both markets and the external shop units at the Oastler Centre.
- This support is available to the end of March 2018.
- The business support includes:
 - Providing 1:2:1 meetings with tenants to discuss each business's current position to assess advice & support needed.
 - Using existing knowledge, networks and expertise to provide business support & advice.
 - Provide coaching to tenants with regards to the direction of travel for the markets offer; encouraging traders to develop their businesses and improve their customer service and other key business skills.
 - Undertake training and development needs analysis and where appropriate make referrals to Skillshouse provision and/or provide tailored workshops.
 - Provide sign-posting to available grants and funding.
 - Assist and advise tenants on marketing opportunities.
 - Work with Council officers to develop proposals in line with other activity/development in both market venues.
 - Provide an inclusive approach, connecting where possible tenants with other markets/events in the District.

e) Markets Events Space – Oastler Centre

- A new events space has been created that is intended to be used for various promotional events, 'pop up' test trading, product launches or general awareness/fundraising campaigns.
- These events are aimed at showcasing to those new customers visiting the event space the products and services that are available in the market.
- Launched in October 2017, some of the event organisers that have booked the events space such as the Print Fair have heavily promoted their event and bring with them their own customer base which traders can benefit from the new footfall. A collaboration with the Underground Live Music Bar saw

the space being used for a Santa's grotto as part of our Christmas promotional activities.

- We are continuing to look for further opportunities to put on events that aim to boost footfall including Valentines Fairs, Mothers' Day Markets, Youth Markets.

f) Free Wi-Fi - Oastler Centre

- Traders will shortly being able to use the Centre's free Wi-Fi to promote their businesses on line through social media and well as being able to securely take cashless payments.
- Customers will also be able to access the free Wi-Fi service and will be signposted to any promotional or event activities taking place.

g) Community Arts Engagement Partnership

- Working with Wur Bradford we have developed several food walks where customers are invited to attend guided tours of the various food stalls in the Oastler Centre.
- The 'We Are Here' project works with traders and customers to creatively document the life of the market. Some stalls have been held within the same family for many generations with traders originating from India, Pakistan, Poland/Yugoslavia, Palestine and the West Indies, as well as more local areas. The project will work with traders and market users to map the market, gather stories about immigration and starting new lives, exploring themes of change, journeys and community, plans and hopes for the future; giving voice to the people and stalls in Bradford's markets that are underrepresented.

7. FINANCIAL & RESOURCE APPRAISAL

- 7.1 The continued or accelerated deterioration in the trading performance of both markets such as increasing vacancies will place budget pressures on the service as a result of reducing income and additional liabilities such as empty business rates and non-recoverable service charge.
- 7.2 The redevelopment of the city centre markets will provide a new and refreshed markets offer that will boost income and revenue to the Council and more importantly stimulate wider economic development within the city centre.

8. RISK MANAGEMENT AND GOVERNANCE ISSUES

- 8.1 Governance arrangements have been established as decisions relating to the redevelopment of the city centre markets cannot be taken in isolation of other strategic development work in the city centre such as the City Centre Townscape Heritage Scheme, a HLF bid.
- 8.2 Both initiatives are centred on the area known as the 'Top of Town' and to ensure

there is a strategic overview of the various linked projects, including the development of the land following the relocation of the Oastler Centre, a 'Top of Town Steering Group' chaired by the Strategic Director for Place has been set up to take a strategic overview of city centre development. Members of this group include the Assistant Director for Estates and Property, Assistant Director, Economy and Development and Assistant Director, Planning, Transportation & Highways.

8.3 In addition a Market Relocation Project Board has been established chaired by the Assistant Director for Estates and Property that focuses on market design, construction, PR and media management and the legal work stream.

8.4 Both groups meet on a regular basis which is intended to continue throughout the life of this project.

8.5 Risk management registers have been developed that deal with both construction and non-construction risks that are regularly reviewed.

9. **LEGAL APPRAISAL**

9.1 There are no legal issues specifically arising from this report.

10. **OTHER IMPLICATIONS**

EQUALITY & DIVERSITY

There are no specific equality and diversity issues.

SUSTAINABILITY IMPLICATIONS

The designs for the new food focussed market will promote it as a naturally ventilated building to reduce as much as possible the Council's use of energy which in turn reduces tenant costs through their service charges.

In addition the introduction of LED lighting and roof mounted photovoltaic will enable the building to have a greener set of credentials.

GREENHOUSE GAS EMISSIONS IMPACTS

There are no specific impacts

COMMUNITY SAFETY IMPLICATIONS

There are no community safety implications.

HUMAN RIGHTS ACT

There are no Human Rights implications

TRADE UNION

There are no Trade Union implications

WARD IMPLICATIONS

None

NOT FOR PUBLICATION DOCUMENTS

None

11. RECOMMENDATIONS

- 13.1 Members are asked to note this report and to recommend that a future report is presented to this Committee following the regeneration proposals for the City Markets being presented to the Executive.

14. BACKGROUND DOCUMENTS

- 14.1 Regeneration and Economy Overview & Scrutiny Committee reports on 31st January 2013, 5th September 2013, 23rd January 2014, 14th October 2015 and 8th March 2017.