

Report of the Director of Place to the meeting of Regeneration and Environment Overview and Scrutiny Committee to be held on 20th September 2022

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Subject:

Darley Street Market Project

Summary statement:

This report will update Members on the progress of the Darley Street Market Project.

EQUALITY & DIVERSITY:

The market aims to maximise public access by being fully DDA compliant whilst offering excellent customer facilities including accessible toilets, Changing Places toilet, gender neutral toilet, prayer/contemplation room, ablution room and separate parent and baby changing facilities.

The trader selection process is fully transparent and applications are sought from any new or existing business that can demonstrate a sound business model and can offer products and services to meet the needs of our existing and new customers. Any applicant that has difficulty in completing their online application is referred to the Council's business advisors for additional support.

The fresh food and food related goods offer will focus on providing opportunities for a diverse international fresh and hot food offer that reflects the socio-demographic profile of the district. The market is designed to attract a wider customer base and to widen its appeal to new shoppers and new visitors to Bradford. In addition, there will be a focus on changing trading hours to allow the hot food and beverage hall to trade into the evening to support the city centre's night time economy.

Jason Longhurst
Strategic Director
Department of Place
Report Contact: Colin Wolstenholme,
Markets Manager
Phone: (01274) 432243
E-mail: colin.wolstenholm@bradford.gov.uk

**Portfolio: Regeneration, Planning &
Transport**

Overview & Scrutiny Area:

Regeneration and Environment

1. SUMMARY

- 1.1 This report will update Members on progress of the redevelopment of the new city centre market in Darley Street since the last report presented to this committee on 12th February 2020.

2. BACKGROUND

- 2.1 In August 2017, the Council appointed Greig and Stephenson, Architects, to lead a multi-disciplinary team of professionals with specialist market knowledge to develop concept designs.
- 2.2 The concept designs were presented to the Council's Executive at its meeting on 10th July 2018, who recommended the project proceed to detailed design stage, planning submission and construction.
- 2.3 The Council's Executive at its meeting on 8th January 2019, recommended extending the scope of the market project in order to maximise its regeneration impact through the acquisition of additional properties to deliver an enlarged scheme and to incorporate an area of quality Public Realm.
- 2.4 The Council's external design team submitted a planning application on 18th February 2019 with planning permission formally granted on 21st May 2019.
- 2.5 The City of Bradford Metropolitan District Council (Darley Street, Bradford) (Development Scheme) Compulsory Purchase Order 2019 required to acquire additional properties was made by the Council on the 29th April 2019 and published on 30th April 2019.
- 2.6 With no formal objections being received, even from the existing property owners, the Council was able to acquire the title of No 8 Darley Street and Nos 10-14 Darley Street, Bradford on 1st November 2019 and entered and took lawful possession of both properties on 4th November 2019.
- 2.7 Following possession of these properties the Council erected construction hoardings on Darley Street and work commenced to remove asbestos from the properties which was completed in June 2020.
- 2.8 The Council selected Kier Construction in December 2019 following a competitive procurement exercise via a two stage process. They were selected on the basis of the cost of their preliminaries, overheads and profit and the quality of their method statement driven project approach.
- 2.9 Kier Construction worked alongside the Council's design team in contributing towards the final design, buildability and timetable. They submitted a tender price to construct the new market in January 2021 which was accepted by the Council in February 2021.
- 2.10 Work on site commenced in May 2021 with the demolition of several properties that was completed in April 2022 to allow the construction of the new market to commence.
- 2.11 The construction phase is anticipated to be complete by August 2023 when Kier will

hand over the building to the Council to allow for stall fitting out in anticipation for the opening of the market in September/October 2023.

3. BUILDING DESIGN

- 3.1 The market will have 4 principal levels; three trading levels at level 0, 1 and 2 and a non-trading level at level -1 which is the secure underground deliveries and waste handling area directly underneath the market square.
- 3.2 The design and layout of the market takes advantage and makes use of the sloping adjacent streets of Darley Street and Piccadilly by providing street access to both Level 0 and 1.
- 3.3 Level 0 can be accessed from either the lower part of Darley Street, the market square or Piccadilly without steps or artificial ramps. Further up Darley Street is the direct access to Level 1 so effectively providing the market with two ground floors.
- 3.4 Level 2 is the only trading level without direct access from the street, however, is accessible via a customer lift, escalators and stair cores.
- 3.5 Central to level 0, 1 and 2 is an atrium which houses the escalators and visibly connects the three trading levels into one single space.

4.0 MARKET OPERATIONS

4.1 LEVEL -1: THE BASEMENT AREA FOR MARKET SERVICING

- 4.1.1 The service and storage yard is located directly underneath the market square and will enable deliveries and waste handling to be kept separate from the public. Restricted access to this basement level is from Piccadilly either on foot or by vehicle and controlled by market security.
- 4.1.2 There are 10 delivery bays of which two bays will have fast charging electric delivery vehicle charging points. Signage at the entrance will inform drivers whether there are any vacant delivery bays.
- 4.1.3 There are 17 storage cages around the perimeter, a secure cycle rack and showers for traders and their staff who choose to cycle to work.
- 4.1.4 A communal cold room will be used for storage of butchers' animal by-product waste before it is collected by a licensed carrier. Waste recycling bins will be stored here for daily collection and balers will recycle separated plastic and cardboard waste. Two trader goods lifts will transport products to each of the three trading floors.

4.2 LEVEL 0: THE NON-FOOD & SERVICES HALL

- 4.2.1 This hall is accessed from three public street entrances on Piccadilly, Darley Street and directly from the market square as well as a stair lobby off Piccadilly.
- 4.2.2 The first of two restroom facilities are located here providing men's, ladies' and

accessible toilets, a multi-faith room and ablution room.

- 4.2.3 There are 34 stalls in total with 19 perimeter stalls, 13 island stalls and 2 cafes that also face onto the market square as Level 0 directly links to the market square.

4.3 LEVEL 0: THE MARKET SQUARE

- 4.3.1 The market square is intended to be a multifunctional area for outdoor markets and events providing various trading layouts depending on the type and scale of the event.
- 4.3.2 Eight 7m x 4m umbrellas will create a covered area for around 16 stalls. Each umbrella will have access to power from a pop-up service pillar and fitted with lighting and heating for early evening or night markets. Each umbrella can be accessorised with gutters and side panels to create an instant large pop-up marquee for outdoor covered events or for other types of ad-hoc outdoor trading.
- 4.3.3 Around the perimeter are raised planters, column mounted floodlights and traditional railings with three lockable entrance gates so the market square can be secured at night whilst also assisting with crowd control when the space is used for ticketed and non-ticketed events.
- 4.3.4 A large outdoor screen will show films, sporting and musical events and provide information on the market and council services as well as any trader special offers.
- 4.3.5 The market square will become the focus for future city centre events and a place for people to meet family and friends and where regular community, commercial, charitable and leisure events can take place.

4.4 LEVEL 1: THE FRESH FOOD HALL

- 4.4.1 This hall will specialise in fresh food and can be accessed at street level from the top of Darley Street, opposite the entrance to the Kirkgate Centre, or inside the market from the two other trading floors.
- 4.4.2 There are 32 units of varying sizes including a communal training kitchen for delivering cooking courses for customers of all ages as well as food safety courses for traders.
- 4.4.3 Fruit and vegetable traders will be located on the Darley Street frontage as their displays will be visible to customers walking up this street who will see their colourful displays and be tempted inside. Communal seating overlooking the market square will allow customers to rest and enjoy the views across the market square.
- 4.4.4 Two pop up test trading or food demonstration spaces are available here.

4.5 LEVEL 2: THE HOT FOOD & BEVERAGE HALL

- 4.5.1 This hall will specialise in world food and drink and house 11 independent food kiosks and 2 bars with capacity for around 500 customers, seated inside or outside on the roof top terrace overlooking the market square.
- 4.5.2 The market's main restroom facilities are located here providing men's, ladies', accessible, changing places and gender neutral toilets as well as separate parent and baby changing facilities.
- 4.5.3 A stage will provide the ability to hold a variety of daytime and evening entertainment.
- 4.5.4 This hall is excepted to open on Sundays when the rest of the market is closed and into the evenings to support the local night-time economy with evening access available from two public stair cores off Piccadilly and Darley Street as well as a customer lift.
- 4.5.5 The Council is currently looking to partner with a food & beverage operating tenant who has the vision and expertise to manage this hall and work with local independent traders to operate the kiosks as well as developing a hot food delivery service.

4.6 STALLS

- 4.6.1 The Council is keen to encourage both imaginative and creative stall design and professional product displays with each stall finished to a high standard. Given the new and more diverse range of customers we expect the market to attract then it is essential we create a pleasurable shopping experience to appeal to both existing and new customers.
- 4.6.2 In order to maintain consistency and control the overall design for each stall, the Council will provide a 'shell' stall that traders will fit out according to their business needs. A stall design guide will set out the objectives that each trader will need to adopt when considering their fitting out proposals as well as the approval process.
- 4.6.3 A variety of stall types and sizes are available that traders can choose from and select the one that works best for them.
- 4.6.4 Each stall type will have:
 - An electrical supply connected to a smart meter from the landlord's distribution network which means traders can take advantage of the Council's corporate energy contract rather than having to enter into contracts with individual energy providers.
 - Data and telecoms connections.
 - Tiled floor at the same level as the public aisles so will be fully accessible.
 - Signage board with a power connection to allow for the sign to be illuminated.

- Fire detection and alarm system with automatic sprinklers to ensure minimal damage to the building and trader's property in the unlikely event of a fire.

Some stalls will also be provided with the following based on their business activity:

- A natural gas supply for the majority of catering stalls on Level 2 and two large cafes on Level 0 facing the market square.
- A cold water supply and drainage for a selected number of perimeter stalls on Level 0 and all stalls on Level 1 and 2.
- Enhanced drainage for Butchers and fish stalls.
- Catering stalls located on the perimeter elevations of the building will have external access for fresh air cooking extraction.

4.6.5 The trader will provide, subject to the Council's prior approval, any of the following works:

- All equipment necessary for the conduct of their business.
- Lighting and their own electrical/gas appliances.
- All internal wiring.
- Roller shutters.
- Wash hand basins and sinks.
- Counters and shelving
- Wall finishes.
- General decoration.
- Suspended ceilings.
- Hot water boilers.
- Fire prevention and firefighting equipment
- Illuminated signage.

5.0 STALL APPLICATION

5.1 The success of the new market is intrinsically linked to the quality, vibrancy and skills of those independent traders and their retail offer. This and the necessary reduction in the market footprint requires an application process with specified criteria to establish who will be offered space in the new market as our aim is to select the best independent traders that can offer products and services to meet the needs of our existing and new customers.

5.2 A leasing brochure was published in January 2022 and widely promoted to potential retailers asking them to register their interest in applying to trade in the market. Demand was strong and 261 expressions of interest were received.

5.3 The formal trader application process was published online in June 2022 at www.bradfordmarkets.com to guide both existing and new traders in the process for applying for a stall(s) in Darley Street Market.

5.4 The application pack included links to:

- a) An online application form.
- b) Guidance notes to help complete the application form and the scoring used to

evaluate each application.

- c) Floor plans showing the measurements for each unit/shop on the three trading floors.
- d) Details of the 'shell unit' fixtures and fitting and services.
- e) The rents payable for each unit/shop and the indicative service charge payable.
- f) Information on the grant support available towards the capital cost of stall fitting out works by traders.
- g) A stall design guide to assist the selected trader with their fitting out plans.
- h) A specimen lease.

- 5.5 To assist both existing and new retailers in their application the Markets Manager has held weekly trader surgeries. In addition, applicants were offered additional business support from two dedicated Council business advisors.
- 5.6 Business support will also extend to any existing city centre market trader that has been unsuccessful in their application where assistance will be offered to source suitable alternative accommodation either in the city centre or Bradford district.
- 5.7 Each applicant is expected to demonstrate they have a sound business model, relevant business experience, marketing and promotional skills and an ambition to create a high quality and attractive shop unit. Applicants who propose to sell hot foods are also required to demonstrate how they can contribute to the Council's good food vision and meet consumer's growing demands for healthier foods.
- 5.8 Only applicants that have passed the financial credit check stage are able to proceed to the scoring stage.
- 5.9 Each score will be based only on the responses given by each applicant to each of the questions in the scored sections with each answer achieving a score of one point for a very poor answer to five points for an excellent answer.
- 5.10 Each question is ranked with weighting of between 1 to 5 based on the importance of each question. The score will be applied to the weighting specified for each question to provide a final score.
- 5.11 The evaluation and trader selection process will take the form of a desktop evaluation by a lettings panel of six persons, three Market officers, two Business Advisors and a Business Support Officer from the National Market Traders' Federation.
- 5.12 As part of the evaluation process, applicants may be invited to an interview with the evaluation panel.
- 5.13 The stall allocation process will take place over two selection rounds with some stalls left unallocated in first round to allow the Council to consider where there are any gaps in products and services that would add value to the market's retail offer. Negotiations will take place directly with any traders who have not submitted an application that specialises in such products and services.

6 TRADER SELECTION

- 6.1 The stall application process closed on 18th September 2022.

- 6.2 Details of each trader that has been successful in their application to trade in Darley Street Market will be announced from October this year with each announcement published on our social media platforms. This will not include any traders for our hot food and beverage floor as we intend to work with our preferred operating partner following their appointment in November 2022 to select the successful hot food and drink traders.
- 6.3 To assist each selected trader achieve excellent and innovative retail stall design the Council will offer a capital grant contribution and share the costs with traders towards their fitting out works. Each trader can apply for a grant of up to 50% towards their fitting out costs up to a ceiling level that has been assessed for each stall.
- 6.4 The fitting out of each stall must be carried out in a good and workmanlike manner and in accordance with good building practice using quality materials which comply with British Standards. To achieve this, the Council intends to appoint a stall fitting out contractor that will work with each trader to create their own stall design and to carry out the works on the trader's behalf during the 8/10 week stall fitting out period immediately after Kier have completed their works and formally handed over the market to the Council.

7. FINANCIAL & RESOURCE APPRAISAL

- 7.1 The project has an approved funding budget of £26,549,877 which is a mixture of capital funding, service prudential borrowing, revenue funding from a corporate allocation that markets receive annually and revenue contribution from the markets reserve fund and grant funding from the West Yorkshire Combined Authority's Getting Building Fund.
- 7.2 The financial breakdown is as follows:
 - a) Capital funding - £15,561,000
 - b) Service prudential borrowing - £5,902,363
 - c) Markets revenue contribution from its reserve fund - £2,086,514
 - d) WYCA Getting Britain Fund - £3,000,000

8. RISK MANAGEMENT AND GOVERNANCE ISSUES

- 8.1 A governance board has been set up which is chaired by the Assistant Director for Estates and Property that takes a strategic and operational overview of this project. Members of the board include the Assistant Director for Economy and Development and senior officers from Procurement, Finance, Legal, Client Services, Markets and Marketing & Communications.
- 8.2 The board oversee all matters relating to deliverability, building designs, procurement, construction, finance and legal matters.
- 8.3 Risks are routinely identified and assessed throughout the course of the project and logged onto the Project Risk Register and allocated to the most appropriate owner who is best able to ensure proper management of the risk.

- 8.4 Ideally, risks are eliminated during the development of the scheme, however, those that are unable to be closed are monitored and where possible actions to mitigate or reduce the risk are put in place.
- 8.5 The Risk Register is reviewed monthly by the Council's Client Services.
- 8.6 Any lessons learnt during the life cycle of the scheme will be entered into the Lessons learnt Log and reported monthly to the board for review and further action.

9. LEGAL APPRAISAL

- 9.1 The majority of the business tenancies at both the Oastler Centre and Kirkgate Market are protected by the Landlord and Tenant Act 1954 ("the 1954 Act"). The 1954 Act sets out the process and grounds that must be followed should it be necessary to terminate a business tenancy, including, where appropriate, the payment of statutory compensation.
- 9.2 In August 2019, the Council announced a financial support package to existing traders.
- 9.3 Traders were invited to surrender their current tenancy agreement and complete a new tenancy agreement without the security of tenure which means that traders do not have an automatic right to stay in their stall(s) when the new tenancy agreement ends on 31st December 2023, unless the Council agrees to offer another agreement. This ensures a timely and managed closure of both city centre markets.
- 9.4 In addition to a rent reduction, the Council offered each trader immediate access to their statutory compensation in the form of a rent credit spread over the term of the new tenancy agreement. The reduced rent continues to support traders whilst the new market is being constructed. This will also help those traders who are successful in their application to trade in the new market and enable the savings in rent to be reinvested towards their relocation costs and fitting out of their new stall(s).
- 9.5 This financial support has been welcomed by traders and the take up has been hugely successful with 99% of traders in Kirkgate Market and 98% of traders at the Oastler Centre taking advantage of the Council's offer.
- 9.6 The proposed new lease for Darley Street Market will be a three- year lease that does not provide the trader with any security of tenure. During the term of the lease the Council will continually monitor the performance of each trader and issues such as poor customer service, sale of poor quality goods, opening the stall late or closing early, delays in paying rent or other persistent breaches of the lease will be taken into account when the lease expires and may result in the lease not being renewed and the stall being re-let to another trader.
- 9.7 The rent in the lease will be fixed for the duration of the three-year term with only the service charges being subject to annual review. On lease renewal, subject to the trader's performance, the Council will consider the level of rent payable and negotiate a new rent on an individual basis for the following three-year term.

10. OTHER IMPLICATIONS

10.1 SUSTAINABILITY IMPLICATIONS

10.2 The District Plan endorses sustainability and this investment delivers positive contribution to social, economic, environmental and culture performance and impacts in design, operation and business practices.

10.2.1 Social

Darley Street Market, its traders, suppliers and customers will all benefit from a high-quality, well-run c21st market. Issues of affordability, related social and anti-poverty concerns are being considered for shoppers as well as the traders and supply chains. The links to good quality food and retail offerings as well as the connections to health and wellbeing are all part of the overall offer being shaped for its opening.

10.2.2 Economic

This investment is a catalyst not only for city centre but also as part of the overall regeneration portfolio for Bradford and the whole District. It is expected to operate commercially with clear ties into supply chains, business-to-business and added value for clean growth and the circular economy. The market is expected to provide an economic uplift and support the Economic Strategy as well as Council Plan priorities.

10.2.3 Environmental

The new market will be an energy efficient, sustainable and low carbon building containing a computerised building energy management system to monitor, analyse and control the market's internal environment and energy systems. Almost 200 high-quality efficient solar roof panels will be installed that will provide enough power to operate the lifts, escalators and some energy-efficient lights during daylight hours.

Additionally, the water in the rest rooms is able to be pre-heated by roof mounted solar thermal panels. Automatically controlled natural ventilation louvers manage the heat accumulated during operating hours and to ensure internal air quality

A flood prevention holding tank will capture 9,000 litres of rainwater which will be used to flush the market's toilets and for planter irrigation on the market square. Two 50Kw fast charging electric vehicle points are provided in the service yard for visiting delivery vehicles.

10.2.4 Culture

The new Darley Street Market creates a core food and non-food offer right in the heart of the city centre. It will be a critical location for cultural and community events – supporting Culture is Our Plan and Bradford 2025 - as well as showcasing the vibrant food economy of Bradford District, supporting the Sustainable Food Strategy delivery amongst others.

10.3 GREENHOUSE GAS EMISSIONS IMPACTS

- 10.3.1 It is expected there will be a significant decrease in overall GHG emissions as the design intention is to create an environmentally sustainable market.
- 10.3.2 The market's building management systems will constantly monitor and adjust lighting levels, internal temperature and CO2 levels, natural ventilation louvres and hot water generation
- 10.3.3 Tenants will have a key role to play as they will be required to sign up to the Market's sustainability charter.
- 10.3.4 The creation of a well-designed market building and the control and management of utilities via the market's computerised building management system will monitor energy levels and provide energy savings in the longer term.

11. COMMUNITY SAFETY IMPLICATIONS

There are no Community Safety implications.

12. HUMAN RIGHTS ACT

There are no Human Rights implications.

13. TRADE UNION

- 13.1 There will be some redesigning, repurposing, or restructuring of operational staff to meet the needs of the new markets, although this will not involve any redundancies.
- 13.2 All the relevant Trade Unions will be consulted as required under Council HR procedures and will be invited to engage in any future staffing changes once the operating model of the new market is known.

14. WARD IMPLICATIONS

There are no Ward or area implications.

15. IMPLICATIONS FOR CHILDREN AND YOUNG PEOPLE

There are no implications for children and young people.

16. ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

- 16.1.1 Individual trader's personal data will be managed in connection with this scheme. The legal basis for holding the data is contractual and relates to the trader's occupational agreements. General Data Protection Regulation (GDPR) principles relating to individual's rights will be fully respected.
- 16.1.2 The Markets Service's Privacy Impact Assessment will manage data protection and information security matters arising from the proposal.

17. NOT FOR PUBLICATION DOCUMENTS

None.

18. RECOMMENDATIONS

Members are asked to consider this report and to recommend that a future progress report is presented to this committee after the market has opened for a minimum of 12 months.

19. APPENDICES

None.

12. BACKGROUND DOCUMENTS

None.