

Name of meeting: Cabinet
Date: 5th July 2022
Title of report: Proposal by Queensgate Market Traders Association in respect of the Queensgate Market relocation

Purpose of report:

This report requests that Cabinet considers the proposal put forward by the Queensgate Market Traders Association in respect of their relocation from Queensgate Market.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes - this report is likely to result in expenditure exceeding £250K.
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports?)	Yes
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by <u>Strategic Director</u> & name	Colin Parr - Strategic Director for Environment and Climate Change, 7 th June 2022
Is it also signed off by the Service Director (Finance)?	Eamonn Croston - Finance and Accountancy, 10 th June 2022
Is it also signed off by the Service Director for Legal Governance and Commissioning?	Julie Muscroft – Legal Governance and Commissioning, 9 th June 2022
Cabinet member portfolio	Cllr Eric Firth – Transport

Electoral wards affected: Newsome

Ward councillors consulted: Cllrs Andrew Cooper, Karen Allison and Susan Lee-Richards

Public or private: Public

GDPR – no personal or sensitive data; or other information covered by GDPR is included in this report

1. Summary

- 1.1 The proposed Cultural Heart project requires the Queensgate Market building to be vacated by February 2023 to enable works to commence.
- 1.2 On 18th January 2022, Cabinet approved a report to provide alternative accommodation for the market traders presently located in Queensgate Market. This report was on the basis that the Council would create and run a relocated market utilising vacant shops or containers within Huddersfield Town Centre which was supported by the majority of traders.
- 1.3 Since this approval was given, many of the market traders have reviewed their position which has resulted in a proposal coming forward from the Queensgate Market Traders Association.
- 1.4 The proposal states that traders would like the opportunity to surrender their lease agreements on an agreed date with no obligation on the Council to provide relocation space in return for compensation.
- 1.5 This report is to seek Cabinet's agreement to the Queensgate Market Traders Association's proposal and to delegate authority to the Strategic Director (Environment & Climate Change) in conjunction with the Service Director (Legal, Governance and Commissioning) and Strategic Director (Growth and Regeneration) to negotiate, agree terms, enter into and execute any agreements or instruments necessary to implement that proposal.

2. Information Required to take a decision

Background

- 2.1 There are currently 32 traders within Queensgate Market who occupy their shops/stalls under 37 lease agreements due to some traders operating multiple businesses.
- 2.2 Each lease contains a six month break clause in favour of the Council. If the Council triggers this break clause, there is an obligation for the Council to provide traders with the option of a relocated space within three months of the break date.
- 2.3 It is the tenant's decision if they choose to move into the alternative space that is offered. If the tenant chooses not to move into this space, they can leave on the break date with compensation equivalent to one or two times rateable value (depending how long they have occupied the market).
- 2.4 Officers worked closely with the Queensgate Market Traders Association and individual traders and up to early 2022, the majority were looking to continue in business and were in favour of a dedicated relocated market.
- 2.5 This led to a Cabinet decision on 18 January 2022 to agree capital and revenue allocations for the Council to create and run a dedicated relocated market using vacant shops or containers within Huddersfield Town Centre.

- 2.6 Following that Cabinet decision, many of the Queensgate Market Traders have reviewed their own personal positions and the future viability of their businesses within a relocated market offer. Factors such as the revised timescales for the delivery of the Cultural Heart project, the revised timescales for the new Huddersfield Market, the general economic climate and the cost of living crisis have all had an influence.
- 2.7 This review led to the Queensgate Market Traders Association taking on board the opinion of its members and making an alternative proposal to the Council.
- 2.8 This proposal states that traders would like the opportunity to surrender their existing lease agreements on an agreed date in return for compensation. If agreed, this would remove the obligation on the Council to provide relocation space. This report requests that delegated powers are approved for the Strategic Director for Environment and Climate Change to agree the level of compensation and relocation costs.
- 2.9 If agreed, this proposal would put traders into the following two categories:
- Traders that want to take compensation and surrender their lease
 - Traders that would refuse the offer of compensation and look to be relocated by the Council under the terms of the existing lease.
- 2.10 In April 2022, Council Officers met with each trader individually to discuss their circumstances and preferences in order to establish the impact this would have on the approved relocated market project.
- 2.11 The results of those discussions are as follows:
- 17 out of the 37 leaseholders' preferences would be to take compensation, surrender their lease and cease trading due to retirement, alternative employment etc
 - 14 out of the 37 leaseholders' preferences would be to take compensation, surrender their lease and use the funds to relocate into a vacant shop that they will identify themselves. This could be privately owned or part of the Council's Commercial Property Portfolio but would not form part of a relocated market.
 - 6 out of the 37 leaseholders' preferences would be to refuse compensation and look to be relocated by the Council under the terms of their lease.
- 2.12 These findings confirm that should the Council agree to the Queensgate Market Traders Association's proposal, a dedicated relocated market, as put forward in the Cabinet report in January 2022, would not be viable from a trader, regeneration or financial perspective. In order to create a successful dedicated market, the support of a larger number of traders with a larger variety of uses would be required.
- 2.13 Following consultation with individual traders, it is clear that support is not at the required level to make a dedicated relocated market a success. It is therefore the officers' recommendation to agree to the proposal put forward by the Queensgate Market Traders Association.

- 2.14 If the recommendation is accepted, officers will work with the Queensgate Market Traders Association in order to finalise the details of the proposal. The proposal will then be presented to individual leaseholders for them to make a final decision.
- 2.15 Documentation will be completed for those that want to leave and officers will support traders that want to relocate into empty shops. Officers will also work to provide a reasonable relocation option for those that do not want to proceed with the Queensgate Market Traders Association's proposal.

3. Implications for the Council

3.1 Working with People

Kirklees Council officers held town centre consultations and workshops in the town centre from July to August 2019. This was based upon the Place Standard approach. Consultation over a 12 week period involved nearly 1,000 face to face interviews with Huddersfield citizens, focus groups, a staffed exhibition in the Piazza, Huddersfield and an on-line Blueprint questionnaire.

We also carried out market research in Huddersfield to enable us to understand the shopping behaviours and views of communities which helped to shape the development of proposals to improve the Huddersfield market experience. Over 1000+ people took part and 6 focus groups were carried out. The market research explored:

- The views and opinions on the existing market offer in Huddersfield
- The shopping patterns of communities in the Huddersfield and surrounding area [up to 7 miles radius]
- The views and opinions for a new market offer in Huddersfield for the future.

Those businesses that want to carry on trading from other locations in the town centre will be able to do so and continue to be available for shoppers and communities.

3.2 Working with Partners

Council officers have a close working relationship with the Queensgate Market Traders Association (who are supported by the National Market Traders Federation - NMTF). Regular meetings are held with both the Association and representatives from the NMTF.

This continued dialogue has allowed both parties to get to the current position that is now being proposed to Cabinet.

The proposal gives a route for all those traders wanting to continue to trade to be able to do so either by using compensation to identify and secure vacant town centre premises or progress with a relocation option.

3.3 Place Based Working

Kirklees as a place is made up of different communities and the diversity of its communities is one of its key strengths. Placed based working recognises that the needs of Kirklees residents and communities vary widely and that, by using intelligence and information, we will allocate resources in the best way possible to achieve the best outcomes for residents. We will work with communities, so we can prioritise local needs and Councillors, using the insight they have about the communities they represent, will be central to this activity.

The development of the Blueprint and the associated Place Standard exercise has already engaged town centre stakeholders, businesses and users to help shape the overall approach to redeveloping Huddersfield Town Centre and the Market offer.

3.4 Climate Change and Air Quality

Tackling the climate emergency, reducing emissions and improving air quality are key long-term priorities for the Council to improve the quality of life for our residents and create a borough that is healthier, more sustainable and fairer for everyone.

The Council's policy on the Climate Change Emergency will be considered as part of the next stage in this process.

3.5 Improving outcomes for children

The Market vision is to create a much more family friendly space with children's activities which will encourage families to spend time together. This is also part of the ambition for the Cultural Heart.

This decision is part of the process to deliver the Market and Cultural Heart visions.

3.6 Legal

Current traders occupy by way of a lease. Break notices will need to be served on all leaseholders in order to bring these leases to an end by February 2023 in line with the proposed Cultural Heart timescales.

Where traders accept the offer of compensation, an agreement to surrender will need to be entered into which will remove the obligation on the Council to provide a relocation option.

Where a trader moves to a Council owned vacant shop or a Council owned relocation option, new leases will be required.

3.7 Financial

A capital allocation has been approved in the previous Cabinet decision from 18th January 2022 and is contained within the Council's Capital Plan as part of The Northumberland Street Regeneration Project.

A revenue allocation has been approved in the previous Cabinet decision from 18th January 2022 and is to be met from the Strategic Investment Reserve. This can only be spent on costs associated with the decant of traders from Queensgate Market.

It is proposed that both these allocations remain whilst the project progresses in order to:

- Pay compensation to the traders that agree to surrender their lease agreements in line with the Queensgate Market Traders Association's proposal
- Allow Council Officers to put forward a reasonable relocation option to those traders that do not agree to a surrender of their lease.
- Support the continued development of the new Huddersfield Market as part of the Northumberland Street Regeneration Project

If the proposals are accepted, a number of traders have expressed an interest in moving into vacant shops owned by the Council. Discussions are progressing well so in the longer term, this will increase the revenue generated by the Council's Commercial Property Portfolio.

By accepting the traders' proposal and not providing a temporary market, the council will not have to expend a further £750K setting up the market and around £200K per year managing the market and providing services to traders.

4. Consultees and their opinions

4.1 Since the launch of the Blueprint in 2019, there have been numerous discussions with the traders regarding their accommodation in Queensgate Market, the implications that the proposed Cultural Heart Project will have and the Council's intention for a new market in the town centre.

4.2 This proposal has come directly from the Queensgate Market Traders Association who would like the Council to agree to its proposal.

5. Next steps and timelines

5.1 If the officer recommendations are approved, officers will:

- meet with the Queensgate Market Traders Association and negotiate the specific details around the lease surrender and compensation payments.
- serve the appropriate break notices in line with the timescales set by the Cultural Heart Project
- liaise with individual traders in respect of their specific plans and provide initial support/advice for those that want to move to vacant shop premises within the town centre.

- determine a reasonable relocation option for any trader that does not want to agree with the Queensgate Market Traders Association's proposal and take compensation.

6. **Officer recommendations and reasons**

6.1 **Cabinet is requested to:**

- (a) Approve the proposal put forward by the Queensgate Market Traders Association
- (b) Delegate authority to the Strategic Director (Environment & Climate Change) in conjunction with the Service Director (Legal, Governance and Commissioning) and Strategic Director (Growth and Regeneration) to negotiate, agree terms, enter into and execute any agreements or instruments necessary to implement that proposal.
- (c) Delegate authority to the Strategic Director (Environment & Climate Change) in conjunction with Service Director (Finance) to re-profile the previously approved capital and revenue budgets as required.

Reason: To enable the Queensgate Market Traders' proposal and closure of Queensgate Market to be implemented without unnecessary delay.

7. **Cabinet Portfolio Holder's recommendations**

7.1 The Portfolio Holders for Corporate, Regeneration and Transport recommend that Cabinet:

- (a) Approve the proposal put forward by the Queensgate Market Traders Association
- (b) Delegate authority to the Strategic Director (Environment & Climate Change) in conjunction with the Service Director (Legal, Governance and Commissioning) and Strategic Director (Growth and Regeneration) to negotiate, agree terms, enter into and execute any agreements or instruments necessary to implement that proposal
- (c) Delegate authority to the Strategic Director (Environment & Climate Change) in conjunction with Service Director (Finance) to re-profile the previously approved capital and revenue budgets as required

9. **Contact officers**

Adele Poppleton – Service Director, Culture and Visitor Economy
adele.poppleton@kirklees.gov.uk 01484 221000

Kath Wynne-Hague – Head of Culture & Tourism

kath.wynne-hague@kirklees.gov.uk 01484 22100

Matthew Garbutt – Disposal & Acquisition Surveyor
matthew.garbutt@kirklees.gov.uk 01484 221000

10. **Strategic Director responsible**
Colin Parr – Strategic Director for Environment and Climate Change
11. **Attachments**
None