

## **MAIDSTONE BOROUGH COUNCIL**

### **Economic and Commercial Development Overview & Scrutiny Committee**

#### **MINUTES OF THE MEETING HELD ON TUESDAY 27 AUGUST 2013**

**Present:** Councillor Barned (Chairman), and  
Councillors Ash, Cox, Cuming, Hogg, Naghi, Newton  
and Paterson

10. THE COMMITTEE TO CONSIDER WHETHER ALL ITEMS ON THE AGENDA SHOULD BE WEB-CAST.

**It was resolved:** That all items be webcast.

11. APOLOGIES.

There were no apologies.

12. URGENT ITEM

**Resolved:**

The committee agreed to take appendix A to Item 8 Update on the Market review 2007/08 as an urgent item.

13. NOTIFICATION OF SUBSTITUTE MEMBERS

There were no substitute members.

14. NOTIFICATION OF VISITING MEMBERS

There were no visiting members.

15. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures.

16. TO CONSIDER WHETHER ANY ITEMS SHOULD BE TAKEN IN PRIVATE BECAUSE OF THE POSSIBLE DISCLOSURE OF EXEMPT INFORMATION.

It was agreed that all items be taken in public as proposed.

17. MINUTES OF THE MEETING HELD ON 25 JUNE 2013

**Resolved:** That the minutes of the meeting held on 25 June be agreed as a correct record and duly signed.

18. UPDATE ON THE MARKET REVIEW 2007/08

The Chairman welcomed Steve Goulette, Head of Environment and the Public realm and Robert Holmes, Market Manager to the meeting. Mr Holmes explained to the Committee that since the 2007/08 Scrutiny review of the Market there had been another review in 2010. Mr Holmes then gave the Committee a brief overview of the financial standing of each of the Markets functions (attached at Appendix A).

The Committee considered that despite the tough economic conditions the income at the market had remains relatively stable. This combined with the general downturn in market use nationally was positive.

In response to a question from the Committee about incentives for traders Mr Holmes told the Committee that they had offered incentives both for new traders and if an existing trader introduces a friend. When asked about the state of the Market facilities Mr Holmes said that the site could be improved in particular the decor internally and externally of the Market Hall and the floor of the gentlemen's toilets.

The idea of moving the market to Jubilee Square was put to the Market Manager. Mr Holmes responded that he thought a niche market such as an arts and crafts or farmers market would perform well in the High Street however, the presentation of the stalls would need to be standardised if the Council wanted stalls to have a consistent look. At present Mr Holmes was aware that Canterbury Council required their stall holders to use particular coloured awnings.

The Committee queried the marketing budget for the market and discovered that a third of this budget was spent on subsidising the shuttle bus which ran on market days from the Chequers Centre. They also learnt that the Market was advertised weekly in the Kent Messenger and in the free ads paper, part of the budget was for the marketing of the events such as the Easter and Summer Fairs. It was noted that the Market Manager was in the process of obtaining a banner advertising the Market for Week Street. It was agreed that there should be marketing plan for the Market and asked if the Market Manager could prepare a business case for this. The Committee requested that this plan include investigation into transport and possibility of bringing new services to the market such as demonstrations, a mobile clinic and mobile gateway to make the market more of a destination and one stop shop.

The Committee noted that there had been previous attempts in the Town Centre to hold a regular farmers market, one at County Hall and one in the Royal Star Arcade, both had failed. When questioned about the involvement of the Market Manager in setting up a specialist market for Jubilee Square the Committee was informed that Mr Holmes was not involved and had not been consulted. The Committee considered that the experience that the Market Manager had could only be beneficial to this project.

The Committee thanked Mr Goulette and Mr Holmes for their update.

**Resolved:** To recommend that

- a) The Market Manager in conjunction with the Town Team look at the feasibility of introducing a regular specialist market in Jubilee Square; and
- b) The Market Manager prepare a business case identifying how best to promote Maidstone Market.

19. UPDATE ON THE VISITOR INFORMATION CENTRE REVIEW

The Committee welcomed Laura Dickson, Visitor Economy Manager to the meeting. Mrs Dickson provided an overview of the progress made towards achieving the recommendations from the Scrutiny Visitor Information Centre Review.

The Committee was informed that the use of technology for engaging with and providing information for visitors was especially relevant as analytics showed that visitors to the visit Maidstone website had increased by 99%. The data showed that in January 2013 58% of web visitors accessed the site from a desktop computer, 26% from mobile devices and 16% from tablets. The latest figures for July 2013 showed that mobile and tablet access was now over 50%. Those who were accessing from a desktop were more likely to be looking at the 'Where to Stay' section of the website. The analytics showed that the most visited pages were the 'what's on' and 'things to do' pages.

Mrs Dickson told the Committee that at present there was limited wi-fi hotspots in the Town Centre. It was noted that the Town Team was looking at how best to extend the wi-fi in the town centre. It was also noted that using social media they were able to reach 58,000 people at once through facebook and twitter.

In relation to the second recommendation on staff training and undertaking the visit England training programme Mrs Dickson explained to the Committee that support provided from visit England was no longer available due to changes in how they were funded. The Committee heard that Tourism South East ran specific tourism training including a city and guilds qualification which all staff would be undertaking. Mrs Dickson also advised the Committee that the Town Team Marketing sub-group was looking to develop a project over the next year to make Welcome to Kent training available for local businesses.

Mrs Dickson explained to the Committee that they had not yet found a solution for logging visitor numbers to the Museum and Visitor Information Centre accurately and consistently. Currently a manual process was in place, which was affected by the workload of the staff. It was noted that a mat counter was being investigated for the Museum.

On recommendation six – that there should be a visitor information centre presence at the Town Hall- the Committee was told that Mrs Dickson was in the process of arranging job shadowing with Voluntary Action Maidstone (VAM) staff.

The Committee was disappointed to learn that the Town Hall foyer was closed when VAM did not have sufficient staffing. The Committee queried if this was allowed as part of the terms and conditions of the lease. Mrs Dickson was unable to comment on this and the Committee agreed that a copy of the lease should be circulated to all members of the Committee.

The Committee thanks Mrs Dickson for her update.

**Resolved:** That a copy of the lease for Town Hall Foyer be requested from the relevant officer and circulated to the committee.

20. WRITTEN UPDATE ECONOMIC DEVELOPMENT NEW STRUCTURE

The Committee considered the report of the Director of Regeneration and Communities. They noted the risks to Maidstone's future wellbeing in particular unattractive development. The Committee were concerned that this was very subjective. The Committee queried if there was any criteria about what an unattractive development was requested a copy of said criteria if available. If this criteria was not available they requested further explanation about how this would be judged.

**It was resolved that**

- a) The report was noted; and
- b) The Regeneration & Economic Development Plan be added to the committees future work programme.

21. FUTURE WORK PROGRAMME

The Committee considered the list of forthcoming decisions. Consequently they requested that the report on the Enterprise Hub.

The Committee considered the future work programme and items due at the next meeting on the 24 September 2013. It was agreed that they would consider the State of Maidstone Economy Report and requested Cllr Greer to attend to discuss the vision for tourism in the borough with particular reference to the Visitor Information Centre.

The Committee agreed a small task and finish panel to meet prior to October's meeting to scope the committees review topic – events.

**It was resolved that**

- a) The future work programme be noted;
- b) Cllr Greer be invited to the committees September meeting; and
- c) The task and finish group meet prior to October's committee meeting to discuss the scope for the Events Review.

22. DURATION OF THE MEETING

18:30 to 20:58

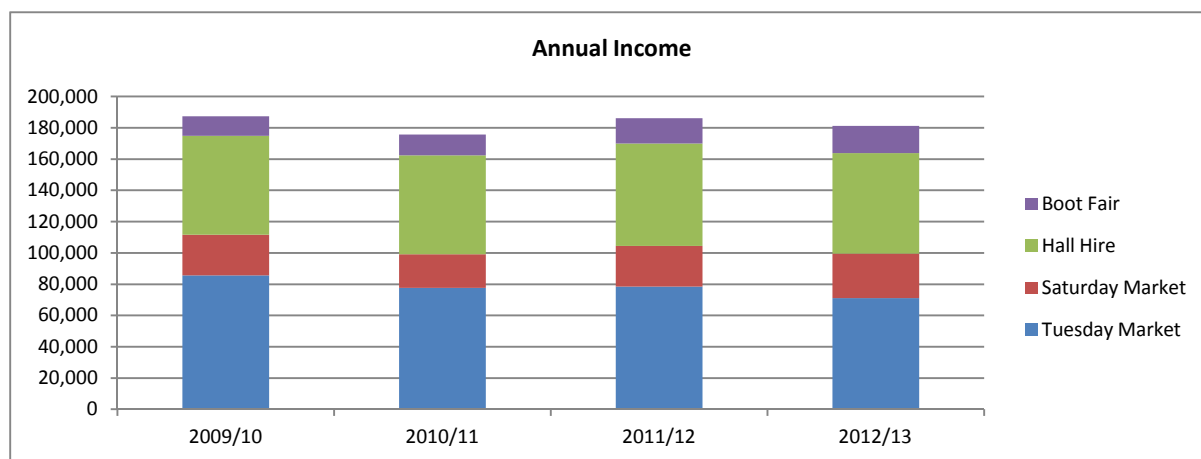
# Minute Item 18

## Maidstone Market

### Income comparison

**The following is a comparison of income for the period 2009/10 to 2012/13**

	<u>09/10</u>	<u>10/11</u>	<u>11/12</u>	<u>12/13</u>	Growth
	£	£	£	£	%
Tuesday Market	85,666	77,564	78,535	71,180	-17.91
Saturday Market	25,934	21,634	25,995	28,283	+ 9.06
Hall Hire	63,345	63,251	65,427	64,397	+ 1.66
Boot Fair	12,448	13,358	16,219	17,424	+39.97
<b>Total</b>	<b><u>187,393</u></b>	<b><u>175,807</u></b>	<b><u>186,176</u></b>	<b><u>181,284</u></b>	<b><u>- 3.26</u></b>



The Tuesday Market income decreased by £8,176 in 2012/13, of which £6,288 was lost from January 2013 until the end of March due to adverse weather conditions also the loss of three markets over the course of the year, which fell on the Jubilee celebrations, Christmas Day and New Year's Day with an estimated loss of £5k. If these factors were to be taken in to consideration then instead of the recorded loss in income we possibly would have shown an increase of approximately £3k

**The following is a comparison of service users over the past four years – the Market Trader figures being an average attendance for each market**

	<u>09/10</u>	<u>10/11</u>	<u>11/12</u>	<u>12/13</u>	Growth
Tuesday Market	47	50	47	45	0
Saturday Market	19	16	20	22	15.79
Hall Hirers	88	82	107	97	10.23
Boot Fair	925	1040	1280	1395	50.81

The sudden jump in hall hire figures in 11/12 was due to the weekly use of the hall for Zumba classes but unfortunately this did not prove to be successful for the organiser, we also face the problem where due to lack of entries some of the Dog clubs now only hold one show a year when in the past they have held two. Although the average number of Tuesday Market Traders has remained fairly static over the years the drop in income is due to high rent paying traders leaving and new traders starting but with smaller pitches and paying less rent. We also have traders who have reduced the size of their pitches due to their sales not supporting the rent that they were paying.

While the whole of the retail industry has been affected by changes in the economy none more so than the "Independent Trader" and I would put Markets and Market Traders in to this category.

In the past 5 to 10 years, the traditional retail industry which includes Markets has been replaced by supermarkets, department stores, specialty stores, shopping centres, and a host of "Budget Stores" ie Primark, Pound shops, Wilkinson's, "99p" stores and direct buying via the various internet sites. There are still independent retailers, and again I would place Markets and Market traders in this category, but they can no longer compete as customers are being price selective.

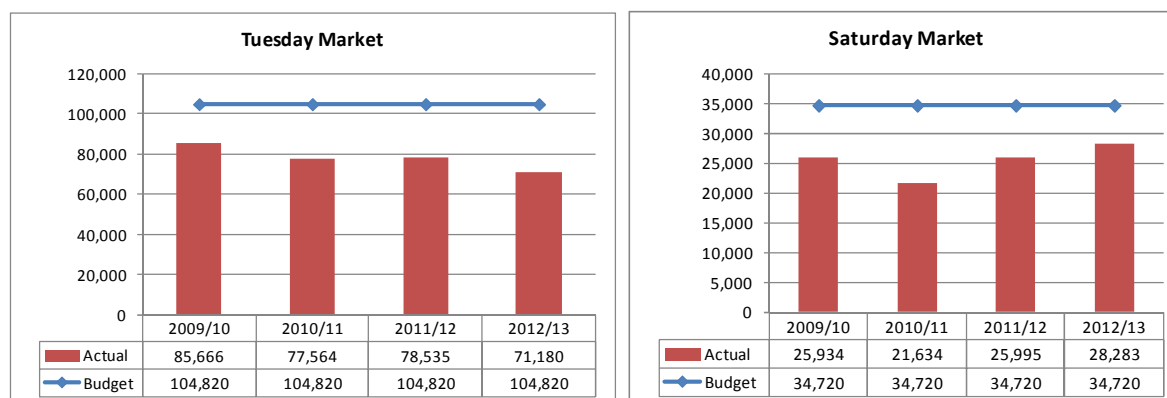
The retail industry has not only been affected by changes in economy but also by a change in society lifestyle wherein customers demand a more comfortable "one stop" shopping experience, the shopping centres and supermarkets provide free parking spaces, a clean and comfortable environment, free delivery and accept phone orders. The "out of town centre" market cannot offer these luxuries. This leads to one of the greatest challenges that Maidstone Market faces - how to attract the new generation of market shoppers.

It is my opinion that with prudent management Maidstone Market can and will have a role to play in the local community, while we will not be a market with a great "eye appeal" for more discerning customers the market as it now stands meets the needs of the public that it serves. That is not to say that we cannot continue to work at presentation standards but to have any great impact it would take investment from both Maidstone Borough Council and the Market traders which cannot be justified at this time.

Should consideration ever be given to relocating the Market to a town centre location i.e. Jubilee Square and the bottom of the High Street, this would be the opportunity to insist on optimum standards from the traders in terms of standardizing the canopies, gazebos, colours and presentation on the stalls to provide the Borough with a Market to be proud of and offer a destination point to visitors to the area.

One of the more concerning aspects of the Market is the failure for the past few years to achieve the unrealistic income budget expected from the two markets.

**The following is a comparison between the Budget forecast and the actual Market income achieved**



You will also see the note at the bottom of the attached Budget Report sheet which identifies that growth of £35,750 was applied to the 08/09 base income budget in order to compensate for falling revenues. The Budget expectation in 08/09 for income on the Tuesday Market was £100,750 which we did not achieve but was still increased to £104,820 the following year, and the Saturday Market budget which we again did not achieve rose from £33,560 to £ 34,720.

Despite the large bottom line shortfall against budget for 2012/13, the table below indicates the financial contribution that the market makes within MBC. This shows that the market still more than covers its direct costs and contributes an additional £75,607 to the council in excess of its costs or £42,513 if street cleansing and toilet cleaning costs which are allocated to the market are included. These figures exclude contributions from parking at Lockmeadow.

Central recharges and income from the Lockmeadow complex are also applied to the market's cost centre. Whilst these affect the bottom line of the market's cost centre, these are out of the market manager's control and will exist regardless of whether a market service operates.

2012/13	Cost/Income	Sub-total	Notes
Direct Costs	123,727		Costs directly linked to running a market and which would be avoided if there was no market
Market Income	-199,334 (income)	-75,607 (income)	Direct market income <b>This sub-total represents the total contribution the market makes to MBC finances</b>
Toilet Cleaning, Street Cleansing and Refuse Costs Apportioned to Market	33,094	-42,513 (income)	Costs which are charged to the market, some of which apply to market activities directly but costs would have to be reduced from street cleansing service to realise actual savings. <b>This sub-total represents an alternative contribution figure covering some avoidable costs.</b>
Income from Ex Leisure	-123,534 (income)		This is an uncontrollable income and relates to occupancy levels of Lockmeadow complex according to agreement with MBC
Indirect Costs (e.g. rates and corporate recharges)	229,498	63,451	These are costs which would be retained by MBC regardless of whether MBC operates a market or not. <b>This sub-total includes costs which are independent of whether MBC operates a market.</b>



## **Conclusions**

In conclusion, this analysis shows the following:

- Total income from the market has remained relatively stable between 2009 to 2013 with a slight decline of 3.26% over the period.
- Whilst income for the Tuesday market has declined over the period, some of this decline has been offset by slight growth in the Saturday market and hall hire and significant growth in income from car boot traders.
- The market budget has consistently under performed against its budget target throughout this period which indicates that there is an unrealistic budget is set for this service.
- The operation of the market more than covers its costs and makes a positive financial contribution of at least £42.5k and up to £75.6k depending on which costs are included.

Robert Holmes

May 2013