

Lockmeadow Management and Strategy Progress Report

Final Decision-Maker	Policy and Resources Committee
Lead Head of Service	Georgia Hawkes, Head of Commissioning and Business Improvement
Lead Officer and Report Author	Alexa Kersting-Woods, Leisure Property Manager
Classification	Public
Wards affected	All

Executive Summary

This report provides an update on the progress of the Lockmeadow complex since the council acquired the site in November 2019 and sets out the Council's future plans.

Purpose of the report

This report is for information only.

This report makes the following recommendations to this Committee:

1. That the contents of the report be noted.
2. That the Committee endorse feasibility work on the Food Hall concept and on improving links with the Town Centre.

Timetable

Meeting	Date
Economic Regeneration and Leisure Committee	20 October 2020

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1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The acquisition of Lockmeadow and proactive management of the site will materially improve the Council's ability to make Maidstone a Thriving Place.	Director of Finance and Business Improvement
Risk Management	Already covered in the risk section.	Director of Finance and Business Improvement
Financial	The management activity described in this report is covered by existing budgets.	Director of Finance and Business Improvement
Staffing	We deliver the activities set out in the report with our current staffing.	Director of Finance and Business Improvement
Legal	There are no legal implications arising from this report as it is for noting only.	Principal Solicitor - Commercial
Privacy and Data Protection	There are no specific privacy or data protection issues to address.	Principal Solicitor - Commercial
Equalities	The recommendations do not propose a change in service therefore will not require an equalities impact assessment	Policy & Information Manager
Public Health	The use of local supply chains for the Market and potentially a Food Hall will bring added social value and reduce the impact on the environment also providing higher quality food. However it is still important to consider the food provision within the development and how the offering will provide healthier	Senior Public Health Officer

	choices for children and families to have a healthy balanced diet, therefore not contributing to rising childhood obesity levels within the Borough.	
Crime and Disorder	N/A	Director of Finance and Business Improvement
Procurement	N/A	Director of Finance and Business Improvement

2. INTRODUCTION AND BACKGROUND

2.1 Lockmeadow comprises:

- leisure centre with an Odeon multiplex cinema, 18-lane bowling alley, a trampoline park, five restaurants and a two-level David Lloyd swimming pool and gym complex
- car parks
- a market hall operated by the Council.

2.2 In November 2019, the Council purchased the long leasehold interest (105 years unexpired). The rationale for the purchase was twofold. Firstly, taking control of a centrally located site, which plays a key role in Maidstone's leisure offer, would help the Council realise its priority of making the borough a Thriving Place. Secondly, the acquisition would generate a financial return, in line with the Council's commercial investment strategy.

2.3 Fidum (a facility management company) were appointed to oversee the day to day management. In March 2020 we appointed a Leisure Property Manager to oversee both the Lockmeadow Complex and Maidstone Market. The post holder sits within the Corporate Property Team.

3. INITIAL ACTIVITY

3.1 Our overriding objective has been to make Lockmeadow a top leisure destination for local residents and for visitors. This means an all-round offer, including not only leisure facilities and dining, but also events and activities which make better use of the riverside, and specifically activities which will attract families.

3.2 In the past the Lockmeadow complex was a very popular place to go for leisure activity in the town with high footfall and good levels of public awareness. Over the years its popularity has been in decline, so improving the site's marketing was a priority for the Council. A tender process was held to find a marketing consultant. The successful bid was a partnership

between Floresco Communications and the council's own communication team.

- 3.3 A marketing strategy was drawn up and included targets of increasing social media following, increasing public awareness of the different tenants and increasing footfall.
- 3.4 Our tenants reported a very promising start to 2020 with Hollywood Bowl and Gravity both healthily exceeding income targets in February.
- 3.5 The previous landlord had commissioned some improvement works in 2016, mainly interior design and a new front entrance. These improvements dated the rest of the building so funding was agreed by Policy and Resources Committee at its meeting on 29th April 2020 to improve the look of the building and the site in general. The plans were approved by Planning Committee on the 23rd July and work commenced 10th August . Work includes modernisation of the external facia, removal or replacement of railings and a new, more welcoming entrance to the car park. In addition, the cattle shed type structure at the rear of the car park is also being removed to open the site to its attractive riverside location. Work is due to be completed in November 2020.

4. THE IMPACT OF COVID 19

- 4.1 When lockdown was implemented all tenants in the centre had to close and a decision was made to close the Market as initial government guidance was quite sparse and it was not clear how or if we could safely operate. The Market Hall became the base for the Council's community hub distributing food and other items to vulnerable groups.
- 4.2 All bookings for the Market Hall were cancelled, these included dog and cat shows, and autojumbles, and we either had to refund deposits or move bookings to next year.
- 4.3 Tenants in the centre were facing financial difficulties. However, only one tenant has so far faced a material change in their circumstances. The Restaurant Group, owner of Frankie and Benny's, entered a Creditors Voluntary Arrangement in July. The company closed many of their sites, but the Lockmeadow branch of Frankie and Benny's remained open and is now paying the Council a rent based on turnover rather than the previous fixed rent.
- 4.4 Odeon were due to start refurbishment work in March and this was delayed until July 2020.
- 4.5 All tenants apart from GBK and Odeon have now reopened and are operating in compliance with government guidance. Odeon expect their refurbishment to be completed mid-October 2020 and will reopen shortly afterwards. We are optimistic that GBK will open around the same time.
- 4.6 One of the positives to come out of the pandemic was the 'shop local' change to consumer behaviour. Once we had a date to reopen the Market,

we launched the LOVE YOUR LOCAL MARKET campaign. The campaign included an offer of 8 free stalls to anyone who produced or made items locally and were new to market trading. This resulted in around 50 enquiries and over 20 new traders, several whom have continued with the Market after their initial rent-free period.

5. MARKETING OF VOIDS

- 5.1 For approximately 4 years there have been 2 vacant units located on the ground floor of the centre. Although there have been a few enquiries no businesses have progressed beyond an initial viewing.
- 5.2 Traditionally sites like Lockmeadow tend to attract chain restaurants and these businesses were already struggling financially pre Covid 19 and even more so now.
- 5.3 A new approach is needed to attract tenants and one option we believe worth investigating further is the concept of a food hall. This is a growing trend which has evolved from the old-style food court, the difference being that these are aimed at attracting independent businesses. They also provide the customer with a fast-casual food option but with wider choice and higher quality than traditional fast food.
- 5.4 The food hall model offers distinct advantages for both landlord and tenant. For the landlord, having several tenants in a space spreads the risk of long-term voids and loss of income when a sole tenant moves out. Lower rent and lower risk for the potential tenant is attractive particularly if they are new to the restaurant business. Tenants will not have to fund significant start-up costs to refurbish a building as in most of the models for food halls the landlord provides the operating space in return for a percentage of the profits or other similar arrangements. The tenant then just needs to transform the space to reflect their brand.
- 5.5 Further work is ongoing developing the food hall concept, with initial work funded from the Council's corporate budget for feasibility studies.

6. FUTURE DEVELOPMENTS

- 6.1 The Odeon Luxe is due to open at the end of October 2020. The Luxe model includes reclining seating, a high-quality sound and visual experience and a cocktail bar.
- 6.2 The work we have commissioned to improve the building and the site's appearance is due to be completed mid-November 2020. Subject to approval we would like to continue to invest in the site and provisional plans include a new rear entrance to the complex with extended outside dining areas. We would like to maximise the river frontage with a river view café and children's play area.

- 6.3 Longer term plans could include a review of the Market Hall to consider different options for the building / site that fit with the aim of Lockmeadow becoming a thriving leisure destination and supporting economic growth.
- 6.4 Parking Services are reviewing the car parking provision on site and looking at improved technology that will allow us to offer parking discounts for customers visiting the Lockmeadow complex. This will support a Love Lockmeadow loyalty scheme we are developing with the aim of encouraging an increase in dwell time and return visitors.
- 6.5 As part of the site improvement works, we are improving the appearance of the Town Square which is in the centre of the Lockmeadow car park. Also, the management of the amphitheatre has moved to the Leisure Property Manager. This area has been very underutilised in the past, so the intention is to look at a programme of riverside events bringing both sides of the river together. The events will need to be co-ordinated with other events in the district to avoid clashes.
- 6.6 Consideration is being given to how we can better link Lockmeadow and the town centre. This includes looking at increasing signage and improvements for the pedestrian journey. Initial discussions are taking place with MBC planners and with KCC, with the next step being the preparation of plans for an integrated set of improvements.

7. RISK MANAGEMENT

- 7.1 This report is presented for information only and has no risk management implications.

8. REPORT APPENDICES

Appendix 1 – Lockmeadow Food Market

9. BACKGROUND PAPERS

None