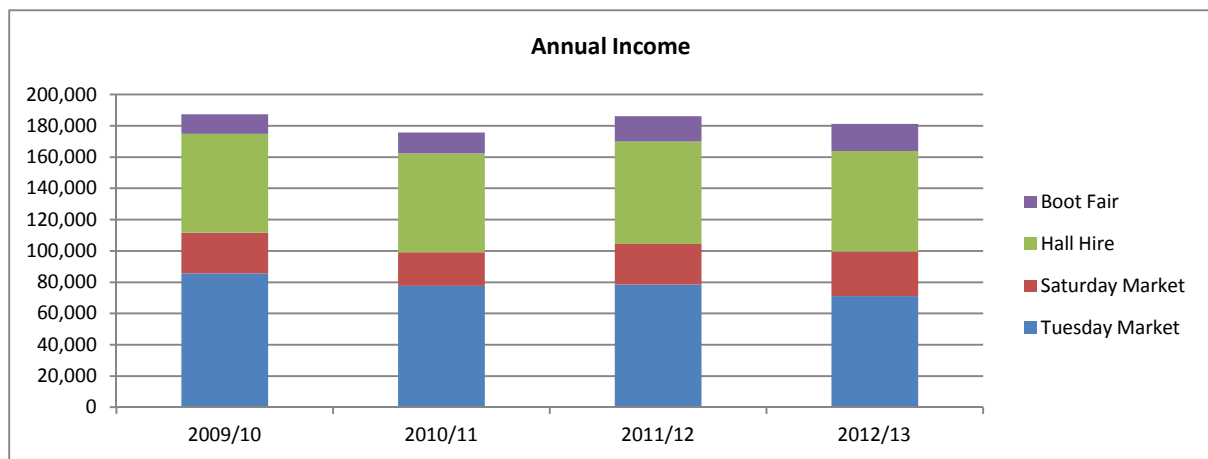


Maidstone Market

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
Total	<u>187,393</u>	<u>175,807</u>	<u>186,176</u>	<u>181,284</u>	<u>- 3.26</u>



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>	<u>Growth</u>
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In the past 5 to 10 years, the traditional retail industry which includes Markets has been replaced by supermarkets, department stores, specialty stores, shopping centres, and a host of "Budget Stores" ie Primark, Pound shops, Wilkinson's, "99p" stores and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.

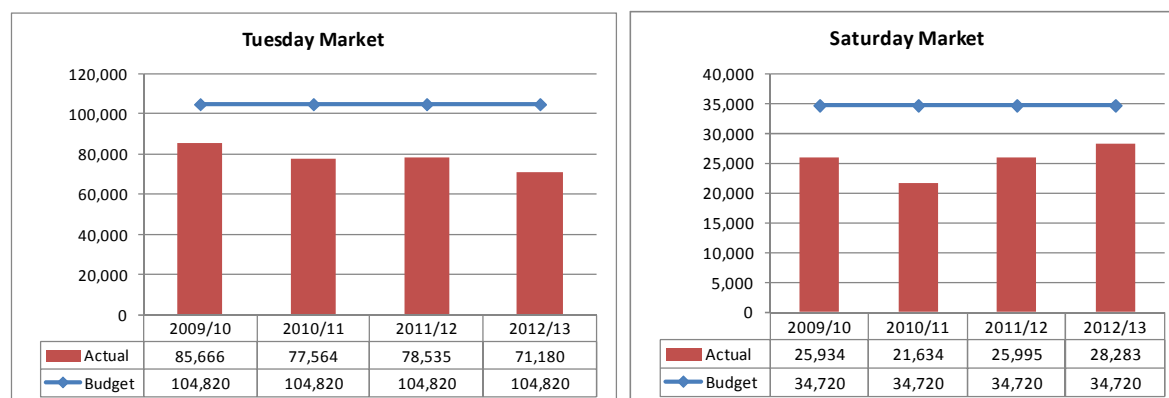
The retail industry has not only been affected by changes in economy but also by a change in society lifestyle wherein customers demand a more comfortable "one stop" shopping experience, the shopping centres and supermarkets provide free parking spaces, a clean and comfortable environment, free delivery 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 This sub-total represents the total contribution the market makes to MBC finances
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. This sub-total represents an alternative contribution figure covering some avoidable costs.
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. This sub-total includes costs which are independent of whether MBC operates a market.

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