



LEIGHTON-LINSLADE TOWN COUNCIL

Market Sub Committee

Date:	16 August 2018
Title:	Market Budget Report
Purpose of the Report:	To update Committee on market budgets
Contact Officer:	Vivien Cannon, Cultural and Economic Services

Corporate Objective/s	LLTC Three Year Plan – Aim 2: To promote & develop a vibrant town through partnership working & initiatives including management of the street market, provision of town & community promotions, town centre enhancements, tourism & practical support for local businesses
Implications:	
Financial	√ Review of income and expenditure figures. Reprofile the street market budget.
Human Resources	
Operational/Service delivery	
Procedural/Legal	
Risk/Health and Safety	

1. RECOMMENDATIONS

Should members be minded, the recommendations are:

- 1.1 To recommend to Policy and Finance Committee the reprofiled Street Market budget (cost centre (412)) in order to address the shortfall in allocated budget to cover the cost of security, as per para. 3.2.
- 1.2 To endorse the new market budget target setting structure as per para.5.

2. BACKGROUND

- 2.1 All figures are taken from the Council's financial management system and rounded up to the nearest pound. The figures presented show all income and expenditure received and paid during the months presented
- 2.2 The figures provided in sections 3 and 4 reflect a two-year financial period, not a calendar two-year period. April being month 1 and concluding with March as month 12.
- 2.3 Expenditure is clarified as all running costs relating to the market, including

staffing. It was noted that a more detailed expenditure report would be produced as part of the system-generated budget monitoring reports which would be provided to the parent committee, Cultural and Economic Services, on a quarterly basis (14th July 2016 045/MK).

- 2.4 At the meeting on the 15th October 2015, it was requested to include a total year end figure for the previous year when looking at the running total income and expenditure of the current financial year.

3. REPROFILING OF STREET MARKET BUDGET

- 3.1 At its meeting on 17/05/18, (Ref. 104/MK), Committee was informed that in order to maintain the road barrier, the current budget would require reprofiling to address a shortfall in the current year allocated budget. The deficit being, £1,945.80.
- 3.2 The proposal is to make the following amendments to the Street Market budget area (412) and reprofile the budget to allocate sufficient funds to pay for the barrier. See table below:

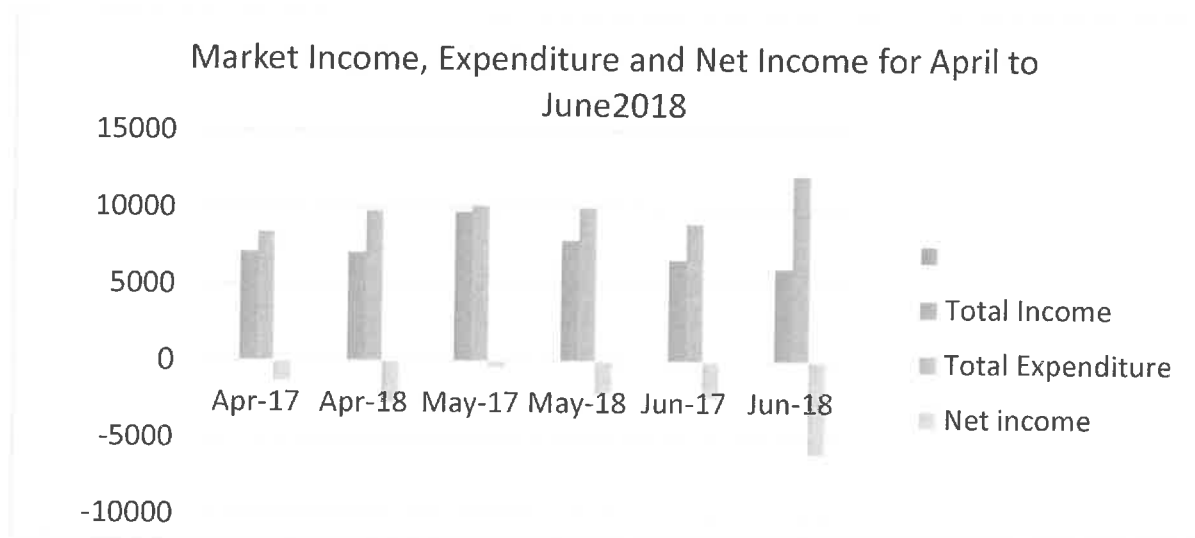
		Current profile	Reprofile to
4170	Themed markets	£3,500	£2,554.20
4327	Publicity	£3,500	£2,500
4130	Security (barrier)	£9,000	£1,0945.80

4. MARKET BUDGET

- 4.1 Since 23 September 2017, income reflects the changes in the new pricing policy thus Committee will continue to see a change in income levels.
- 4.2 The finalised new pitch fee structure has been in place since 01 April 2018. This includes month on month incremental increases for some traders. Thus, income is not at its full potential for the current period. This incremental addition process will take a period of two accounting years until it settles into a more regular format, providing those traders remain. April also saw the introduction of the higher 'casual' tariff.

5. FINANCIAL INFORMATION COVERING APRIL TO JUNE 2018/19

5.1 Income, expenditure and net for April to June 2018/19.



Summary:	Apr-17	Apr-18	May-17	May-18	Jun-17	Jun-18
Total Income	£7,118	£7,086	£9,735	£7,886	£6,642	£6,074
Total Expenditure	£8,402	£9,777	£10,150	£9,999	£8,987	£12,103
Net income	-£1,284	-£2,691	-£415	-£2,113	-£2,345	-£6,029

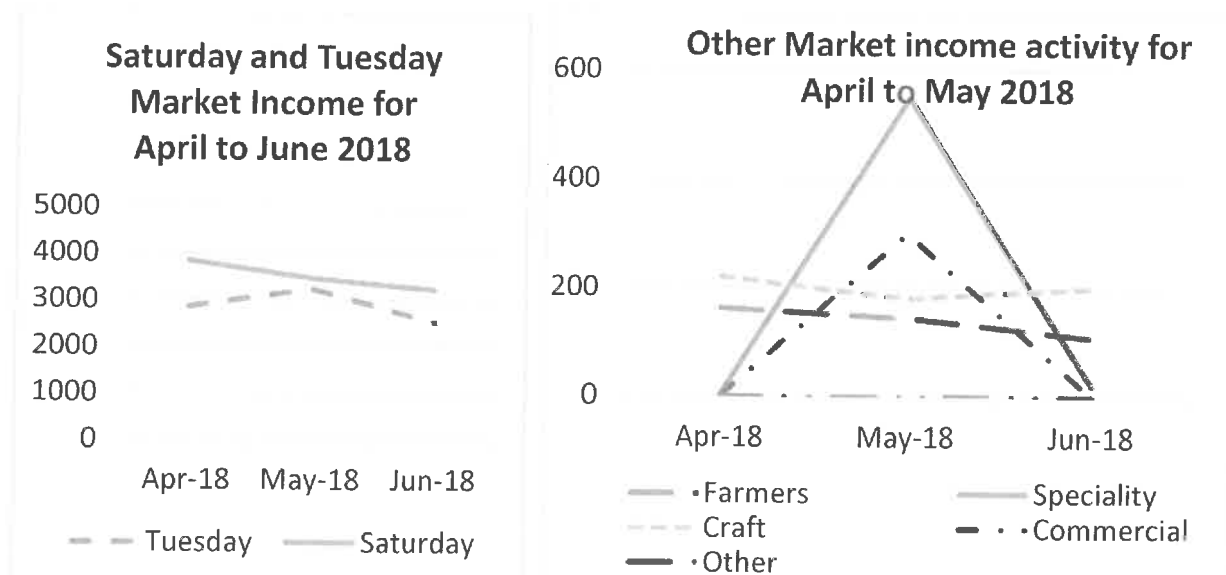
Income:

- In Apr-18, 16 traders took holidays with a loss of rental income of £535
- In May-18, 14 traders took holidays with a loss of rental income of £423
- In June-18, 19 traders took holidays with a loss of rental income of £630
- Since April-June 2017/18, one trader with multiple occupancy on both days relocated his family to the North of the country. The average monthly loss due to this is £552 and is evidenced in the comparison for April-June 2018/19 figures above.
- Note that all permanent traders receive four days holiday a year per trading day. Any further absence is charged and incrementally paid back.
- Currently there is a deficit of £400 in arrears (4 traders). One trader has had repeated absences over the allowed 'holiday' allocation and has a poor record of giving reasonable notice of non-attendance. This is in breach of his licence. The trader has been informed that he risks his exclusion from the market should he not return with regular attendance and pay a significant proportion of his arrears.

Expenditure:

- Salary expenditure is high in this quarter due to background staffing issues. Additional short-term support has been bought in to address this.
- There is no pattern to receiving contracted service invoices which reflects as variance in the monthly figures.

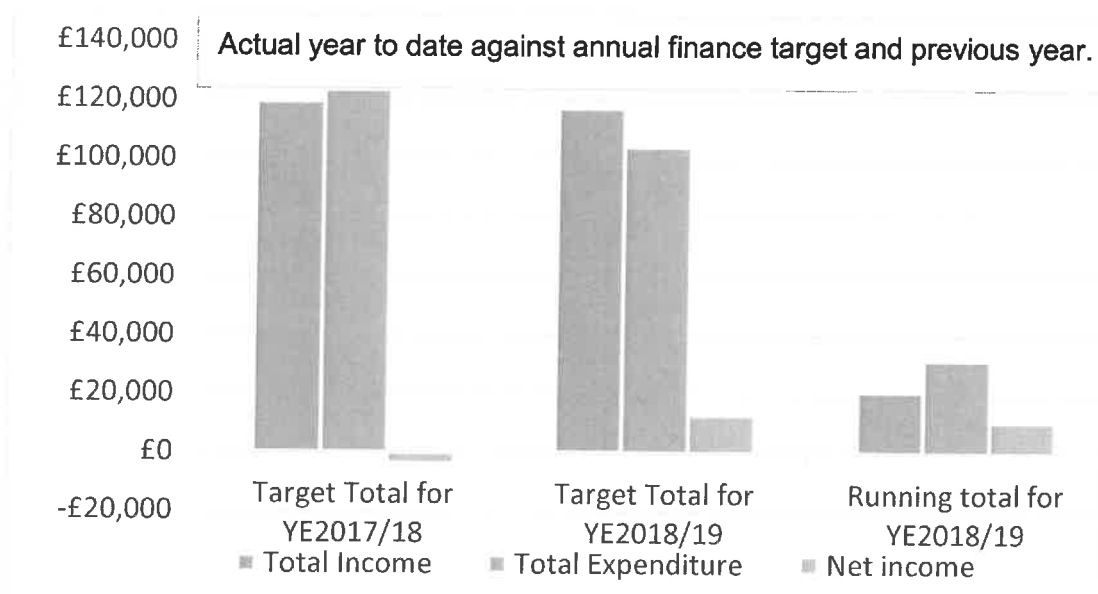
4.2 Income comparison for per market day/type April to June 2018/19.



Total Market Income:	Apr-17	Apr-18	May-17	May-18	Jun-17	Jun-18
Tuesday	£2,703	£2,857	£3,464	£3,240	£2,307	£2,522
Saturday	£3,934	£3,847	£5,397	£3,472	£3,982	£3,225
Farmers	£180	£162	£144	£144	£180	£108
Speciality (inc. Pop-Up)	£0	£0	£550	£550	£75	£19
Craft	£200	£220	£180	£180	£98	£200
Commercial	£100	£0	£0	£300	£0	£0
Other	£0	£0	£0	£0	£0	£0

N.B. Quarterly income figures benefit from cross referencing with the trader targets presented in agenda item 5, **(inc. Item 5. Appendix B)** as they provide background detail of market industry trends and trader recruitment issues.

5.2 'Actual Year to Date' against predicted 'Current Annual Budget' 2018/19.



	Target Total for YE2017/18	Target Total for YE2018/19	Running total for YE2018/19
Total Income	£119,600	£117,399	£21,046
Total Expenditure	£123,416	£104,250	£31,879
Net income	-£3,816	£13,149	-£10,834

- 5.3 This is an early snapshot of budget information. The loss of income through the Council's generous 'holiday' attendance allowance for permanent traders has impacted on income to the sum of £1,588.
- 5.4 The trader arrears of £400 also impacts on income shown for this quarter though this should be recouped over the next quarter.
- 5.5 Salary expenditure is high in this quarter due to background staffing issues. Additional short-term support has been bought in to address this.

6. FINANCIAL TARGET SETTING

- 6.1 It is evidenced well in agenda item 7, Appendix B, that trader recruitment is ongoing and importantly, that traders are being attracted to the market with some success as well as some disappointment when they opt not to sign up. Traders will always need to assess whether their product suits the town and its clientele.

- 6.2 As previously explained to committee, many traders are adapting to new business models and now incorporate the festival season in the calendar which attracts them away of signing permanent licences with markets. We have casual traders who operate in this fashion. Therefore counting new traders as a target starts to offer a false picture for measuring success when their attendance can be seasonal or intermittent at best. Likewise, one trader could rent up to 3 pitches, yet the current target methodology is to be counted as 'one.' An alternative approach of counting sold pitches would evidence financial benefit. It would offer a measurable reduction in subsidy – or increase in income.
- 6.3 Officers propose undertaking a new approach to setting market targets based on the deficit between income and expenditure rather than number of traders attending. The sale of pitches to reduce the subsidy gap will be the target set.

For example, if the average:

- daily expenditure was: £1000
- daily income was: £700
- the target of pitches to be sold at £19 per pitch would be 16, i.e. £304

7. CONTEXTUAL INFORMATION

- 7.1 Regardless of the general market being a good product offer overall, feedback from traders and officers suggest that customer attendance of the market increases when there is a speciality market running alongside the general market. In turn this identifies that some customers opt to attend on speciality days when the offer is broadened by a product theme, i.e. Handmade and Craft. Arguably, the 'pull' for less 'loyal' or 'regular' market customers includes, or is, the speciality market as opposed to the general market. The pull of general markets being one aspect of the overall decline of markets nationwide with more convenience methods of shopping.
- 7.2 This 'event' approach to boosting general markets is receiving success for our market as well as being reported as beneficial within the market industry. To this end, introducing more speciality themes into market days has commenced. A Vintage and Collectables day is being trialled on 29/09/18. Importantly, speciality markets continue to sell pitch spaces, thus incorporate income generation. Officers will continue to do this as well as recruit general traders.
- 7.3 The town has invested in the market to present an attractive offering. Traders are directly responsible for presenting their products and attracting their customers. The Council will continue 'attracting' visitors / customers through promotion / advertising and creating reasons to visit the town, e.g. social media, themed activities and speciality markets.
- 7.4 Recently received town centre benchmarking data shows an increase in footfall count, 21% for small towns and 13% for large towns comparisons, (Town Centre Benchmarking, 2018). Leighton-Linslade sits betwixt the two categories

of large and small. Prior to this, any footfall decline was assessed (The Retail Group) as minimal and not so significant that it would be the cause for traders saying footfall was low. The footfall data is encouraging news which is very much welcomed. At best, it could be assessed, that the town is maintaining its footfall. Along with continued low shop vacancy levels, the town is holding its own and attracting visits.

7.5 There is some recent debate about the heat of the summer impacting on footfall with people choosing not to go out into the sun. Industry footfall data, which gives a snapshot of market and town centre footfall counts across the country is yet to be published for July. The impact of the football world cup on market days may also have had an impact on people's visits to their towns. Both offer examples of how external issues can impact upon the street market.

7.6 By way of providing a comparison for pre and post market relaunch for trader numbers:

- on Saturday 22 September 2012, the mix of traders was recorded at 27.
- on Saturday 23 September 2017, the mix of traders was recorded at 28.

- on Tuesday 25 September 2012, the mix of traders was recorded at 23.
- on Tuesday 26 September 2017, the mix of traders was recorded at 21.

8. CONCLUSION

8.1 The Council continues to proactively invest in the market adapting and being flexible to consumer and High Street changes in shopping habits and customer expectations. Traders, whether permanent, casual or of speciality market-based attendance, continue to attend and benefit from the Council's investment and activity to attract visitors.

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