

Agenda Item No. 3(b)

DERBYSHIRE COUNTY COUNCIL

**MEETING OF CABINET MEMBER - STRATEGIC POLICY, ECONOMIC
DEVELOPMENT AND BUDGET**

31 May 2016

Report of the Strategic Director – Economy, Transport and Communities

BUXTON MARKET

(1) **Purpose of Report** To report on proposals for developing a new outdoor market in Buxton by Buxton Town Team and seek approval of a start-up capital grant to support initial set up and running costs post launch.

(2) **Information and Analysis**

The Importance of Markets

The importance of regular markets in revitalising town centres was clearly recognised in the Portas Review published in December 2011. Since the Review, the Government has launched the annual National Markets Day and provided funding to the National Association of British Market Authorities (NABMA) to support the Love Your Local Market campaign. The focus of the campaign is to encourage people to be start-up entrepreneurs, increase footfall and encourage local communities to use markets to help regenerate town centres.

The Derbyshire Economic Strategy Statement (DESS) recognises the importance and distinctiveness of Derbyshire's market towns and the role they play in economic growth and community wellbeing of the County. Strategic Objective 4 of the Strategy looks to "*increase the vitality and viability of our market towns and urban centres to support their role as local service and employment centres and maximise their ability to attract private sector investment*". The D2 (Derby and Derbyshire) Joint Committee for Economic Prosperity recognises the role of market towns as a priority and is working (through Amber Valley Borough Council as lead authority) to develop a new action plan. Working with partners to revitalise existing and support new markets forms an important part of the new approach to town centre regeneration in this regard.

In March 2014, the Council approved £10,000 to support the Matlock Outdoor Market pilot, a proposal to introduce a new weekly market on Hall Leys Park. Managed by the Matlock Town Team and supported by Matlock Town Council

and Derbyshire Dales District Council, the objective of the new market was to introduce a new event to the town to attract visitors and local footfall on a regular basis. It also sought to provide an opportunity to stimulate potential start-up retailers to test their business at low cost through utilising a market stall as incubation space.

Matlock Town Team has recently submitted an evaluation report to the Council for the new outdoor market project which highlights the success of the venture and lessons learned. The evaluation is attached at Appendix 1. Now operating up to 40 stalls regularly on Wednesday, the market has delivered specialist and seasonal events and is now financially sustainable. During the period May 2014 - March 2016, over 40 businesses have benefitted from leasing pitches through the market, including 19 start-up businesses, one of which has now opened up a new retail outlet in Ripley. It has been estimated that approximately 60 full time equivalent jobs have been created or sustained through the new market which is an impressive return on the original £10,000 investment.

The Proposal

In March 2014, High Peak Borough Council approved a recommendation to seek third party operators for the outsourcing of its markets in Buxton, Glossop, New Mills and Chapel-en-le-Frith.

Following discussions with High Peak Borough Council regarding the operation of a new market in Higher Buxton, Buxton Town Team approved a detailed business plan for the operation of a new twice weekly market (Tuesday and Saturday). The aims and objectives of the new market include:

- Improving the retail offers for residents of and visitors to Buxton.
- Improving the visitor experience.
- Creating a more vibrant atmosphere in higher Buxton and reversing the decline of the area.
- Stimulating more footfall in higher Buxton and beyond for current and future retail and leisure businesses.
- Creating employment and business opportunities for local people to trade on the market and develop offerings which could also be used at other markets.
- Using any financial surplus which might be generated for the benefit of the community.

As a result, a Community Interest Company (CIC) was established (and incorporated on 18 December 2015) to manage the proposed market with the above objectives now embedded in a Community Interest Statement.

The proposed Buxton Market CIC model will operate a regular market on Tuesday and Saturday. The Tuesday market will be a traditional market, whilst

Saturday will incorporate the core offer with a rotating cycle of specialist, themed markets. Based on a 30-40 pitch operation and expanding to 60 stalls after 12 months, the five year projected cash flow indicates that the market will run an operating surplus by year 3 and will be financially sustainable from that point forward.

The business plan clearly sets out the marketing and recruitment strategy which *“will aim to achieve a balance between ensuring that stalls provide goods of sufficient quality, that there are sufficient numbers of stalls and that local people trade on the market”*. Incentives will be provided for local traders and the balance between the “core” offer and ensuring a diverse range of activities will be carefully managed and monitored by the company.

Derbyshire County Council's Head of Economic Regeneration met with representatives from the CIC late November 2015, to discuss potential financial support. Similar to the Matlock pilot, the potential of a one-off grant from Derbyshire County Council was considered to fund the purchase of up to 60 stalls. Bearing in mind the limited level of resources available to the Council, it was agreed that the CIC would seek to source both new and refurbished stalls for the purposes of the new market.

The CIC subsequently sought and received quotes for new and refurbished stalls with costs for 60 ranging from £12,700 to £31,000. Prior to the proposed launch of the new market, an opportunity then arose for the supply 60 refurbished stalls and 5 trailers for a lower price of £8,400 and, in order not to miss the opportunity, the CIC purchased the stalls through a short term loan repayable in June 2016. Although the CIC has raised over £11,000 in membership fees and long term loans which has supported start up and provided a small amount of working capital, additional investment is required to further refurbish 20 of the stalls and purchase a suitable towing vehicle. The proposed grant would enable the CIC to repay the short term loan and refurbish all the stalls to an operational standard to coincide with the proposed expansion of the market over the next 12 months. In turn, this would release CIC funding to further develop the new market through additional capital investment and further marketing and publicity.

The CIC has recruited a part-time Market Manager and Assistant Manager and the new market was successfully launched on 30 April 2016. High Peak Borough Council is also provisionally supporting the operation through officer support and the provision of off-site storage space.

The market will provide a new offer in Buxton Market Place which has declined in recent years with the redevelopment of Pavilion Gardens, Spring Gardens retail area and University of Derby Buxton Campus. The market will also enhance the offer of Buxton as a visitor destination and complement the substantial investment being provided at Buxton Crescent.

(3) **Financial Considerations** It is proposed that a one-off grant of £11,400 is provided to the Buxton Market CIC to repay the short term loan secured to purchase the 60 stalls and provide the funding required to further refurbish the stalls to operational standard. Providing a grant at an early stage of the market's development should help the proposed expansion envisaged in the business plan and therefore bring forward financial sustainability.

(4) **Legal Considerations** It is proposed that funding will be subject to an appropriate grant agreement. Similar to the Matlock pilot, the grant agreement will include clawback provision for any asset purchased with the capital grant and set out monitoring requirements required of the CIC.

In preparing this report the relevance of the following factors has been considered: prevention of crime and disorder, equality and diversity, human resources, environmental, health, property and transport considerations.

(5) **Key Decision** No.

(6) **Call-In** Is it required that call-in be waived in respect of the decisions proposed in the report? No.

(6) **Background Papers** Held on file within the Economy, Transport and Communities Department. Officer contact details – Frank Horsley, extension 38348.

(7) **OFFICER'S RECOMMENDATIONS** That:

7.1 The Cabinet Member approves the award of a grant of £11,400 to Buxton Market Community Interest Company funded from Economy and Regeneration Revenue budget 2016-17.

7.2 The approval is subject to the Community Interest Company signing a grant agreement setting out specific conditions of the grant, including clawback provision and the clear demonstration of Derbyshire County Council support.

7.3 The grant be added to the 2016-17 Capital Programme.

Mike Ashworth
Strategic Director – Economy, Transport and Communities



Matlock Weekly Outdoor Market Project Evaluation Report

March 2016

Report compiled by Wendy Spencer, Rob Short and Jean Ball

A Brief History

Following the Mary Portas review of the High Street published at the end of 2012, Matlock Town Team was formed as a voluntary organisation to improve trading conditions in our Derbyshire market town. In early 2013 Matlock Town Team CIC (MTT) agreed that the introduction of a vibrant outdoor regular market in the town centre had the potential to encourage more people to visit Matlock more often, and to make a positive contribution to the local economy. Matlock already had a very small indoor market, but this was seen as a poor representation of the town. The Town Council ran a monthly Farmers Market, but again this was small and the frequency insufficient to have a significant impact. The Town Team undertook local consultation and market research to gauge the appetite and potential for a regular weekly outdoor market.

Respondents to a survey said (amongst other things) that:

- 56% would shop on a market once a week with a further 31% at least once a month
- 12% said they travelled outside Matlock to shop on other markets

A small but energetic project team (Wendy Spencer and Rob Short) from the Town Team agreed to work towards the establishment of a weekly outdoor market right in the centre of the town in Hall Leys Park. Wednesdays were decided upon as there was no conflict with any other markets held within a 20-mile radius.

With the support of the Head of Economic Regeneration (Frank Horsley) at Derbyshire County Council, and from Derbyshire Dales District Council, Matlock Town Council and with the full backing of Councillor Andy Botham, Wendy and Rob put together a proposal to secure a grant to get the market up and running.

In October 2013 a grant for £10,000 was awarded to MTT. The grant was subject to a specific criteria being met including:

- That the grant was used to purchase the market stalls (capital expenditure)
- That the grant helped create jobs by way of a "Market Manager" and "Stall Erectors"
- That new start-up businesses were encouraged to use the market as a possible stepping stone to further a career

The Launch

On May 28th 2014 Matlock Town Team launched the new outdoor weekly market. In the run up to its opening day there was extensive local media exposure and the marketing campaign, which also included leaflets and social media, was clearly very effective because the market was very well attended and the 26 traders did very well despite the rain! The Deputy Mayor of Matlock, Councillors Geoff Stevens and Andy Botham and a number of other dignitaries represented the local authorities and welcomed the new venture.



Good News and Growth

The Project Team very quickly realised that the 26 stalls they had originally bought were not enough as they swiftly accumulated a large "waiting" list. Within the first 6 weeks of the launch the decision was made to expand to 40 + stalls and to use some of the money from trader rents to purchase additional new stalls and a new trailer to store them on. From July 2014 through to December 2014 the weekly market ran with a minimum of 40 + market stalls on a weekly basis. The number of traders dropped to the original 26 after Christmas and picked up again in the spring of 2015. The numbers were back up to 40 + stalls on average over the summer and in the run up to Christmas 2015, then went down to 20 in the early new year as part of the natural seasonal rhythm of outdoor markets in the UK.

To keep things fresh, and to continue to attract repeat and new customers for the traders the Town Team have invited entertainers to the market and have had some themed days as well as an additional special Christmas market, and have also on one occasion experimented with twilight opening until 7pm.

The entertainers added vibrancy and were strategically placed at the "main" entrance as to encourage shoppers to go and have a look at where the market was located and then peruse the stalls.

The Christmas market 'The weekend before Christmas' was a huge success with some 85 stalls on both the Saturday and Sunday with over 3000 people attending. It is hoped that they will build on this success with the market already in place for Christmas 2016.

Traders

Wendy and Rob researched other markets in the Derbyshire Dales and looked at the prices they charged per stall. They worked out a very competitive price for trading in Matlock and went visiting local markets to chat and encourage traders to 'give us a go'. The plan from day 1 was to try and lock market traders into committing to this new market project; they therefore offered the traders a package whereby: if they signed up for the first 10 weeks then they were offered a 10% discount. All 26 traders not only agreed to this but also happily paid these 10 weeks in advance, with some continuing with this after the markets trial period ended on a 4 weekly basis to keep their 10% discount.

The new market has been very successful in retaining regular traders, which is a clear indication that they are selling a good level of stock. In **Appendix 1** a list of all the stall holders that started with Matlock Market in May 2015 details the traders including 19 out of 40 who were brand new start-up businesses, with 1 (Cheryl Harrison) who has since opened her own shop in Ripley, Derbyshire.

Between them it is thought the 40 traders and their staff represent approximately 60 full time equivalent jobs sustained or created.

Impact on Matlock

In the original Business Plan and Grant Submission the Town Team set out a list of Overall Objectives with the key Aim: "To reintroduce an outdoor market to the town of Matlock in Derbyshire that has a bright and sustainable future." This Aim has certainly been achieved.

The Overall Objectives & Targets and what has been achieved against them is detailed in the table below:

October 2014	March 2016
To hold a market in Matlock every Wednesday	Achieved and sustained
To encourage new businesses to use Matlock Market as the start of their retail experience. 6 to be established in 2014 and a further 10 in 2015.	19 Start-ups, 5 still trading on Matlock Market, 1 moved on to open a shop
To encourage existing retailers within the town to use Matlock Market as a satellite to their business.	A few have traded for a short period, but not ongoing.
To encourage existing local Market traders to choose Matlock.	Achieved and sustained.

To provide a good mix and variety of stalls that caters for a wide range of consumers.	Achieved and sustained.
To encourage local residents to use the facility on a regular basis.	Achieved and sustained.
To encourage residents within a 10-mile radius of Matlock to come and utilise the Market on a regular basis.	Achieved and sustained.
To promote Matlock Market as a key attractor for visitors to Matlock.	Achieved and sustained.
To create employment opportunities in Matlock.	The traders themselves remain economically active and the stall erection team are local. No data available about wider impact on sustaining existing or creating new jobs.
To establish a weekly general market with an average of 10 stalls over the 10-week pilot.	Exceeded and sustained.
To carry out a 2 monthly review of the traders throughout the project to identify any gaps, additional needs or alternative pricing structures to allow Matlock Market to develop, become established and sustainable.	Achieved and sustained.
To understand the impact of Matlock Market on the wider town.	This report is evidence of the largely positive impact.

Whilst some of the town's businesses have benefited immensely from having the weekly market, particularly cafes and local food & drink businesses, with some employing extra staff on market day, others blame the market for their low sales.

To avoid direct competition, the stalls the Town Team choose to trade on the market do not sell the same products as the nearby shops. However, some retailers say that the market has a negative impact on their business. The Town Team remain unsure how they come to the conclusion that the market is to blame.

Beyond the formal Objectives & Targets, less formally the Town Team hoped that the new outdoor market would become the heart and soul of the community, a common ground, a place where people could easily interact. This is harder to measure, but locals have been very supportive and have now come to rely on their favourite stalls being there each week.

In August 2014 a consumer survey was undertaken. The full results are available in **Appendix 3**, but a few of the highlights are:

- 90% would recommend Matlock Market to a friend
- 37% did other shopping in town that day
- 95% thought there was a good choice of items available
- 46% spend over £10 on the market
- 77% bought something

"How vibrant the market makes the town, it's always great to see the green and white stall canopies each Wednesday. The market brings life and energy to the town and there is a good range of stalls each week and a lovely selection of gifts at any time". Matlock Resident

Finances

The creation of Matlock Market was only possible thanks to the initial £10,000 local authority grant to cover the purchase of stalls and to establish the business. A cash flow projection pre-launch had to be revised when the market grew. A copy of the original projection appears in **Appendix 2**. The Town Team have managed the finances carefully, re-invested funds into the business, and remained 'in the black'.

Matlock Market is financially sustainable, and despite a steep learning curve and one or two unexpected challenges (see 'Things we'd do differently') is likely to remain a feature of Matlock's economy for many years to come.

Profile and Marketing

Over the last couple of years, a number of different angles have been used to develop the profile of the market. Prior to the market starting and during its infancy the Town Team used the local paper "The Matlock Mercury". They also set to on a huge leafletting campaign.

However, focus over the last 12 months has been mostly done with the use of social media, Twitter and particularly Facebook. They have found this one of the best ways to get the message about the market over to potential customers, and have 1200+ people who have subscribed to their page and when an advert is sent out about the market they regularly see over 7000 people have viewed it.

However, they understand that not everyone uses a computer and have ensured that they actively promote the market every day by having a permanent banner in situ in both the park and on a main roundabout within the town. They have also started inviting coach companies to stop off if passing through.

What would we have done differently?

1. The Market Manager

Wendy and Rob always knew that this was going to be a challenging project, essentially starting a brand new business but without complete control over it. They employed a "Market Manager" who was an extremely capable individual; however, it became apparent quite early into the appointment that things were not going correctly...Essentially this person was in charge of 26 and then 40 very different people, with 40 very different requirements and 40 very different opinions.

Many of these traders had come from other markets and very quickly tried to put their point of views across regarding what practices should be adopted, comparing Matlock to other markets that they traded on. Some of these practices began to take seed in Matlock and the team had to take significant action to remedy this before standard dropped. Within 8 weeks of the market starting they had to dismiss the Market Manager.

The decision was then taken to run the market themselves on a short term basis (despite being very busy people with businesses and families). This was so that they could ensure the correct practices were observed and that so that they could be more hands on to help develop business relationships. The 'dynamic duo' of Wendy and Rob ran with this until May 2015, so nearly a year.

At this point they decided to once again appoint a Market Manager to help grow the market further and relieve the pressure a bit. They advertised the position and eventually took on an individual who had just been made redundant from a financial institution with the intention of taking on someone with excellent business and customer skills who could then "learn" the market side. This individual remained in post for only 6 weeks. Once again Wendy and Rob found that very quickly this person was being undermined by the traders and was always saying "yes" to what they wanted...essentially ending up with some 40 traders who all had their own set of rules based on how they said other markets were run. Since August 2015 Matlock Market has continued to operate without a Market Manager and with Wendy taking the role on temporarily.

2. The Winter of 2014/15

The Town Team always knew that throughout the colder winter months the amount of traders coming to the market would drop, and, it did, however they failed to react quickly enough to control costs.

Since the start they had always had the same person putting up / taking down the market stalls. They negotiated having the market split into 2 different sections; the original 26 stalls (phase 1) and then the added section (phase 2).

During the winter, even though they had some 25 traders coming they were still unknowingly being charged for the full 2nd phase being erected. This meant that very quickly funds began to be eroded. To rectify the situation, they had to very quickly find a new company to work with them.

For the Winter of 2015/16 they have ensured that they only put up the stalls required and are subsequently only charged for those (essentially this is a cost neutral exercise).

Summary

The creation and establishing of Matlock's Weekly Market has brought vibrancy to the town on a Wednesday. Matlock Town Team CIC have gained valuable experience and confidence and will continue to run the market long term.

Trade on the market is strong with certain shops in the town reporting an increase in sales, especially the food & drink businesses.

The original investment of £10,000 by Derbyshire County Council has had substantial and long term benefits for the town, the traders, and the team who run it as an enterprise for community benefit. All the Aims and Objectives have been achieved or exceeded.

They as a group continue to look at what other opportunities there are to help drive footfall and bring further vibrancy into the town. They are just finalising their website "www.matlockderbyshire.co.uk" which it is hoped over the coming months will gain traction and become a driver in nonlocals beginning to visit Matlock.

The collaboration on this business led project has been a real success and helped build good relations in the town which is home to Town, District and County Councils

Appendix 1

Matlock Market Traders May 2014 – February 2016

<u>NAME</u>	<u>BUSINESS</u>	
Kim Dearing	Crepes	STILL WITH US
Andrew Auld	The Loaf	STILL WITH US
Cheryl Harrison	Bags and Scarves	NEW – STAYED 18 MONTHS
Vincent Hunter	Fruit and Veg	NEW - STILL WITH US
Nat Johnson	Mobility Aids	STAYED 19 MONTHS
Jackie Buckley	Frames	STILL WITH US
Stuart Bailey	Fishmonger	STILL WITH US
Graham Knowles	Ladies wear	STILL WITH US
Mark Anderson	Wooden Plaques	NEW - STAYED 17 WEEKS
Lynn Keeton	Textiles	NEW - STAYED 1 YEAR
Martine Welsh	Vintage Items	NEW - STAYED 18 WEEKS
Alan Hartshorn	Socks	NEW - STAYED 9 WEEKS
Marc Ansell	Biscuits	STAYED 2 WEEKS
Stewart Pentalow	Menswear	STAYED 20 WEEKS
Jennifer Joy-Matthews	Organic Veg	STILL WITH US
Michelle Short	Sweets	NEW - STAYED 18 MONTHS
Lorraine Cross	Lingerie	STAYED 18 MONTHS
Sarah Boden	Haberdashery	NEW - STAYED 10 WEEKS
Mohammed Nasser	Towels and Pillows	STILL WITH US
Claire Greenough	Pastries	STAYED 1 YEAR
Stuart Hall	Toiletries	STAYED 1 YEAR
Sharon Shirley	Win a Mini	NEW - STAYED 4 WEEKS
Michael Cross	Stationary	STAYED 1 YEAR
Tracey Stoddart	Cupcakes	NEW - STAYED 17 WEEKS
Lynda Rutherford	Skincare	NEW - STAYED 3 WEEKS
Sue Musgrove	Haberdashery	NEW - STILL WITH US
Olivia Bunting	Photography	NEW - STAYED 4 WEEKS
Alex Bromley	Cakes	NEW - STILL WITH US
Andrew Kirkland	Country Gear	STILL WITH US
Dads Bees	Honey	STILL WITH US
Rob Roe	Cheese	STILL WITH US
Hani	Olives	STILL WITH US
Darren Avis	Football Memorabilia	STAYED 18 MONTHS
Danielle Stokes	Bags and Scarves	NEW - STAYED 10 WEEKS
Bridget Tomlinson	Jewellery	NEW - STAYED 7 WEEKS
Louise Armit	Handmade Cards	NEW - STILL WITH US
Michelle Waters	Kid's Clothes and Toys	NEW - STILL WITH US
Declan Sloan	Photo Blocks	NEW - STAYED 6 WEEKS
Andrew Kirkland	Outdoor Gear	STILL WITH US
Exclusive by Design	Upholstery	STILL WITH US
Original Recipe	Potted Meat	STILL WITH US
Flash Brewery	Beer	STAYED 1 YEAR
Derbyshire Winery	Wine	STAYED 1 YEAR

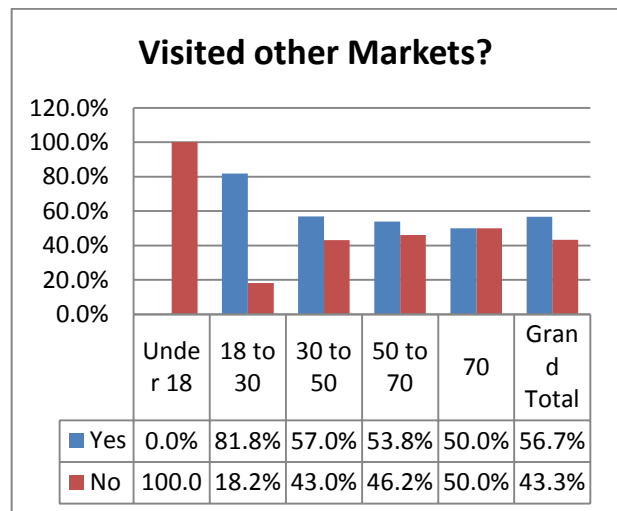
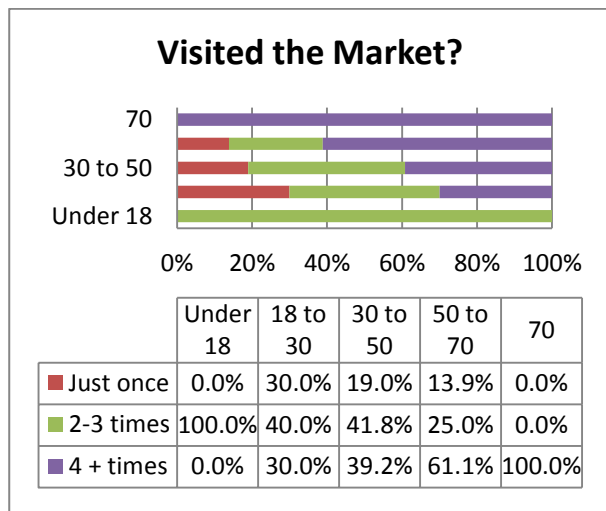
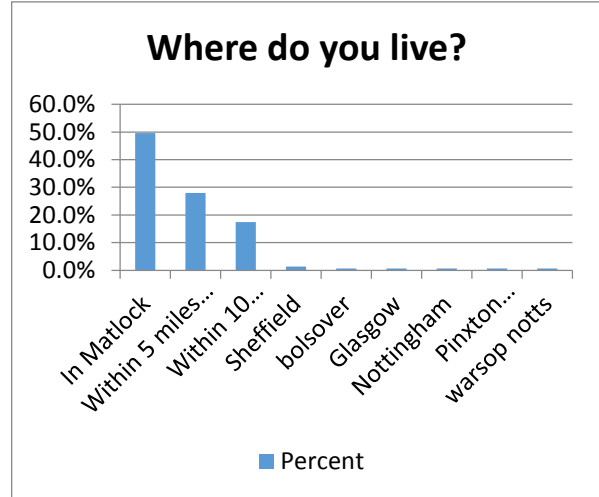
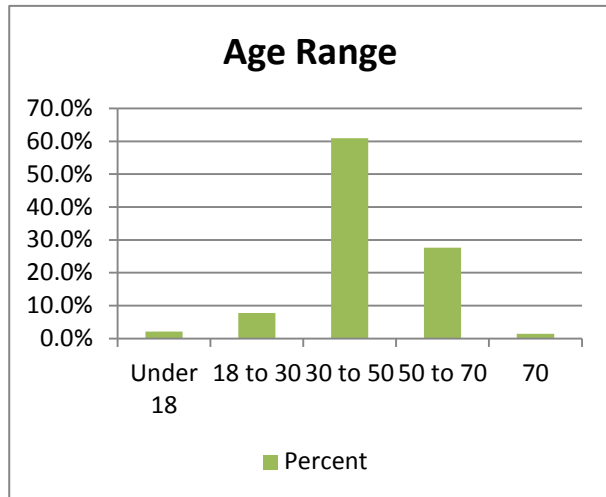
Appendix 2

The original Cash Flow projection pre-launch:

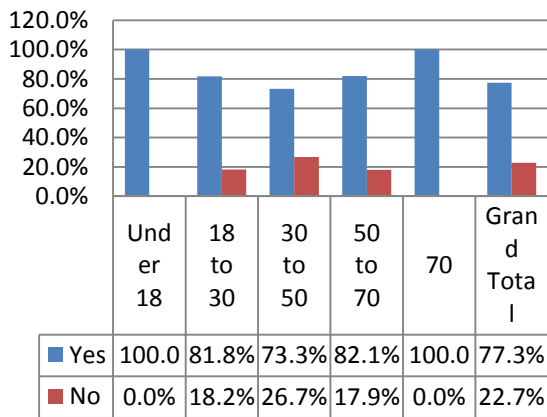
Matlock Town Team Matlock Market cashflow - YEAR 1														
Starting date	Mar-14													
Cash balance alert minimum														
based on 15 stalls per week	Beginni	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Total
Cash on hand (beginning of month)		0	8,415	2,495	1,785	1,415	1,365	1,615	1,845	2,395	2,645	3,345	3,415	
CASH RECEIPTS														
Cash sales £15 av per stall				240	480	750	900	1,080	1,350	1,200	1,500	720	720	8,940
Returns and allowances														0
Collections on accounts receivable														0
Interest, other income														0
Loan/ Grant proceeds		10,000												10,000
Owner contributions														0
TOTAL CASH RECEIPTS		10,000	0	240	480	750	900	1,080	1,350	1,200	1,500	720	720	18,940
Total cash available	0	10,000	8,415	2,735	2,265	2,165	2,265	2,695	3,195	3,595	4,145	4,065	4,135	
CASH PAID OUT														
Advertising		500	500	300	200			200		300				2,000
Commissions and fees														0
Market Manager		200	400	400	400	500	400	400	500	400	500	400	400	4,900
Market day help				100	100	125	100	100	125	100	125	100	100	1,075
Insurance (other than health)				30	30	30	30	30	30	30	30	30	30	300
Storage				100	100	125	100	100	125	100	125	100	100	1,075
Licences		385												385
Office equipment		500												500
phone / broadband			20	20	20	20	20	20	20	20	20	20	20	220
Market equipment			5,000											5,000
														0
														0
														0
SUBTOTAL		1,585	5,920	950	850	800	650	850	800	950	800	650	650	15,455
														0
														0
														0
TOTAL CASH PAID OUT		1,585	5,920	950	850	800	650	850	800	950	800	650	650	15,455
Cash on hand (end of month)	0	8,415	2,495	1,785	1,415	1,365	1,615	1,845	2,395	2,645	3,345	3,415	3,485	

Appendix 3

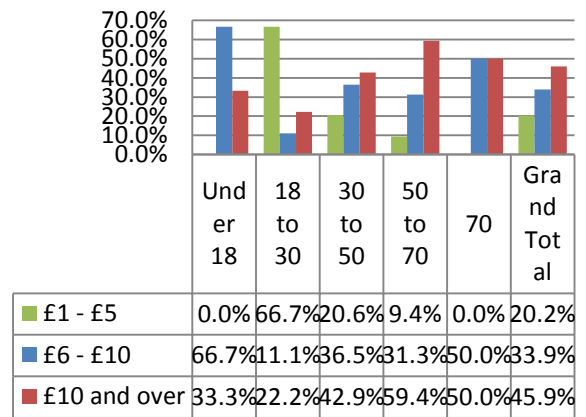
The results from the survey 2014



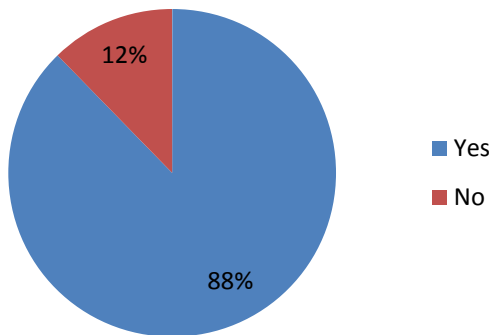
Purchase Anything?



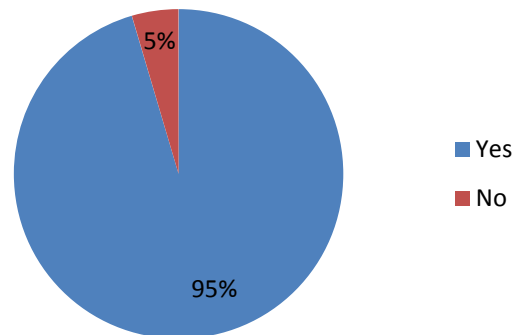
Total Spend?



GOOD VARIETY OF STALLS?



GOOD CHOICE OF ITEMS?



RECOMMEND TO FRIEND?

