

EAST AYRSHIRE COUNCIL

DEVELOPMENT SERVICES COMMITTEE – 7 MAY 2002

KILMARNOCK TOWN CENTRE MANAGEMENT INITIATIVE

Report by Director of Development Services

1 PURPOSE OF REPORT

1.1 To ask the Committee to :

- (1) note the work undertaken by and the achievements of the Kilmarnock Town Centre Management Initiative (KTCMI) in the year 2001/2002;
- (2) agree the proposed activities for the year 2002/2003; and
- (3) approve the continuation of grant funding in terms of the Code of Guidance on Funding of External Bodies.

2 BACKGROUND

- 2.1 This report has been prepared in the context of the requirements of the **Code of Guidance on External Funding and Following the Public Pound**, as issued by The Accounts Commission and the Convention of Scottish Local Authorities (COSLA). The code requires that where substantial grant funding is provided to an external organisation, that organisation should be subject to monitoring and review to ensure that maximum effectiveness is obtained from the funding. In the case of funding provided by East Ayrshire Council, the definition of “substantial” has been interpreted as being an amount in excess of £30,000 per annum.

3 STRUCTURE OF KILMARNOCK TOWN CENTRE MANAGEMENT INITIATIVE (KTCMI)

- 3.1 KTCMI is a company, with liability limited by guarantee. The Memorandum and Articles of Association currently make provision for a Board of 10 directors, as follows ;

East Ayrshire Council;	2
Enterprise Ayrshire :	2
Private sector retailers	<u>6</u>
TOTAL	<u>10</u>

- 3.2** The official representative of East Ayrshire Council nominated to serve on the Board of KTCMI is the Chair of the Development Services Committee. It should be noted that the second Board place allocated to East Ayrshire Council is taken up by an Officer from the Department of Development Services, acting as the day to day link between KTCMI and the Council. Currently, the Business Development Manager undertakes this role.
- 3.3** The chairmanship of the Board is currently held by **Malcolm McEnhill** of Land Securities plc, owners and operators the Burns Mall Shopping Centre.
- 3.4** The Board of Directors meets regularly and updated financial reports are submitted to each meeting.
- 3.5** The Company Secretary is a local Chartered Accountant (not a member of the Board) and the auditors are Smith & Wallace & Co. of Kilmarnock.
- 3.6** KTCMI employs a Town Centre Manager – following the resignation of the previous incumbent who moved to another employer, **Susan Cockburn** was appointed to the post in May 2001.
- 3.7** There is also regular contact between the Town Centre Manager, the Chairman of KTCMI and the Department of Development Services to monitor the operation of the company.
- 3.8** In accordance with its reviewed policy on direct participation in “external organisations”, Scottish Enterprise Ayrshire has advised that it no longer wishes to be actively involved in the management of the company (KTCMI) and thereby has intimated that it wishes to relinquish its position on the Board. This will require an amendment to the Memorandum and Articles of Association of the company to alter the composition of the Board and this process is currently being undertaken.

4 FUNDING OF KILMARNOCK TOWN CENTRE MANAGEMENT INITIATIVE

- 4.1** The total income for 2001/2002 amounted to almost £73,000 and comprised the following inputs :

East Ayrshire Council	£31,910
Enterprise Ayrshire	£30,000
Private sector	£10,500
Sales/Sponsorship	£ 580
TOTAL	£72,990

4.2 KTCMI previously occupied an office within the Enterprise Centre in Kilmarnock which was operated by East Ayrshire Business Partnership. This occupation was on a free of charge basis and represented in-kind sponsorship of approximately £4,500 per annum. However, due to the closure in late 2001 of East Ayrshire Business Partnership, KTCMI had to vacate these offices and has since relocated to town centre offices at 64A John Finnie Street in Kilmarnock. These offices are leased from a local private sector business at an annual occupation cost of £1,500. The new location of the offices is central to the designated town centre area and is proving to be beneficial to the operation of the company.

5 ACHIEVEMENTS IN THE YEAR 2001/2002

5.1 In the 2001/2002 financial year, the budget of KTCMI has been used to undertake the following projects and initiatives, with the outcomes and achievements noted where possible.

5.1.2 Sunday Trading Campaign

The Sunday Trading Campaign was instigated in 1998/99 and the promotion of it was reinforced during 2001/2002, by a strong marketing campaign of press and radio promotion and advertising, undertaken in conjunction with the Burns Mall and Land Securities plc. As a result of this campaign :

- Marks & Spencer began Sunday trading again after not having done so for several years. Based on the success of these additional opening hours, Marks and Spencer have now made a commitment to continue Sunday trading for the foreseeable future;
- other participating businesses have advised the KTCMI Manager that they also have performed better than they had anticipated;
- based on the outcomes of other participants, KTCMI actively encourages other traders to consider this extension to their regular trading hours.

5.1.3 Summer Festival 2001

During the course of the summer period, a range of street entertainment activities were undertaken at the weekends to enhance the profile of the Kilmarnock Town Centre and encourage people to visit the town. Examples of these activities are : Punch & Judy Show; Giant Walking Scotsman; West FM Roadshow; Street Dancing Display.

5.1.4 Urban Colour Scheme

The attractiveness of the town centre was enhanced by the provision of summer flowering baskets. These were funded by KTCMI in partnership with Land Securities and the baskets were designed and supplied by East Ayrshire Council (Community Services). The success of the flower baskets in providing both colour and vibrancy in the town centre was widely appreciated by traders and visitors to the town centre and the local people.

5.1.5 Christmas Festival 2001

The switch-on of the Christmas lights in November 2001 was done in conjunction with the East Ayrshire Council Fireworks Display at Kay Park. The switch on of the lights was the culmination of a full day of entertainment and activities in the town centre and was undertaken by the Provost. Local traders reported their satisfaction with the large numbers of people attracted to the town centre and the combination of the two events added to the atmosphere and enjoyment of the day.

5.1.6 Town Centre Newsletters

The format of the quarterly Newsletters has been completed revamped to be more inclusive of all business interests in the town centre and to enhance its use as a means of encouraging support for KTCMI projects. The Newsletter which provides information on a range of issues in the town centre has a circulation of 120 copies.

5.1.7 Public Relations and Promotion of KTCMI

A strong campaign of press releases and information has been co-ordinated by KTCMI with the result that the local profile of KTCMI has been significantly advanced, particularly in the retail and local communities.

5.1.8 Farmers' Market

Following the successful pilot of a Farmers' Market in Kilmarnock in October 2000, this has become an established event on the third Saturday of each month. The market takes place at Foregate Square and attracts large numbers of people into the town centre. Other established retailers welcome this monthly event as they have acknowledged the benefits which it has for their businesses.

5.1.9 SUPPORT TO CUMNOCK TOWN CENTRE

Throughout the year, there has been an increasing level of involvement by the KTCMI Manager (in conjunction with officers from East Ayrshire Council) in supporting the development of a similar type of "locally led" initiative in Cumnock. A group of about 20 people, representing 15 local businesses have actively participated and a formal constitution has now been agreed. This will ensure that the "Cumnock Town Centre Initiative" can make application in its own right for grant funding from various bodies.

Presentations have been made to the Initiative by various bodies including Strathclyde Police on the topic of "Reducing Retail Crime", an independent consultant on the topic of "Trading on the Internet" and the Ayrshire Farmers' Market on the topic of "Running a Farmers' Market". Arrangements are now being made to hold a Farmers' Market in Cumnock (on an initial pilot basis) in the summer of 2002.

The Initiative, with funding support from East Ayrshire Council and practical assistance from KTCMI managed and ran a major community event on the first Saturday of December 2001 for the switching on of the Christmas lights in the Glaisnock Shopping Centre and surrounding streets. This was a strong community event with involvement of many local traders, voluntary youth and adult organisations, the local Churches and schools. The support afforded by the local community in terms of turning out on the day was magnificent.

6 PROJECT PROPOSALS FOR KILMARNOCK & CUMNOCK FOR 2002/2003

- 6.1** Based on the achievements of the previous years, proposals are currently being developed for a programme of activities and events in 2002/2003, which will be subject to the approval of the KTCMI Board.
- 6.2** The proposed work programme for the period 2002/2003 includes the following broad project areas :
- development of a “trade safe” initiative in Kilmarnock, which will involve local traders, Strathclyde Police and the Procurator Fiscal service;
 - development of a revised Inward Investment Brochure for circulation to potential new businesses considering locating in Kilmarnock;
 - development of a “Kilmarnock Town Centre Website” to bring Kilmarnock in line with current use of electronic media ;
 - increasing membership and private sector funding;
 - programme of summer promotional events (including a special event to mark the Golden Jubilee of Her Majesty the Queen);
 - programme of Christmas promotions;
 - tourism promotion projects;
 - ongoing production and distribution of 4 to 6 Town centre newsletters;
 - PR and advertising to promote the Town Centre;
 - administration of Kilmarnock Town Centre Partnership;
 - continued support for the development of the Cumnock Town Centre Initiative and a programme of events in Cumnock, which it is planned will include an “pilot” Farmers’ Market and a range of other summer events.
- 6.3** The fulfilment of the above projects will be closely monitored by the Board of KTCMI and will be reported to the Development Services Committee following the end of the KTCMI trading year.
- 6.4** The targets which will be agreed with the Board of KTCMI will be incorporated into a formal **Service Level Agreement**.

7 VALUE FOR MONEY

- 7.1** The funding contribution provided by East Ayrshire Council represents 44% of the base line budget of KTCMI and the funding contribution from Enterprise Ayrshire represents 41% of the base line budget.
- 7.2** The public sector investment provides financial stability for the company and it allows KTCMI to be a major mechanism to promote and sustain the Kilmarnock Town Centre.
- 7.3** Based on the outputs detailed in section 5 of this report, it is believed that the Council's funding contribution of £31,910 represents good value for money in terms of leverage and impact on the promotion and development of Kilmarnock and Cumnock town centres

8 POLICY IMPLICATIONS

- 8.1** The activities of KTCMI, working in close liaison with both East Ayrshire Council and Enterprise Ayrshire will assist in the achievement of the policy objectives of the Council Plan
- 8.2** In all its activities, KTCMI subscribes to the Council's policy on **Equal Opportunities** and promotes this in all its dealings with the town centre traders. This will be embodied in the Service Level Agreement.

9 LEGAL IMPLICATIONS

- 9.1** KTCMI will maintain insurance cover in respect of Directors and Officers Liability Insurance (DOLI), as required by East Ayrshire Council.
- 9.2** All other relevant business insurances are in place.

10 FINANCIAL IMPLICATIONS

- 10.1** The funding support for KTCMI in 2001/2002 was drawn from the Funding of External Agencies budget.
- 10.2** Provision for ongoing funding support for 2002/2003 is contained within existing approved budgets.

11 PERSONNEL IMPLICATIONS

- 11.1** There are no personnel implications.

12 RECOMMENDATIONS

12.1 That the Committee :

- (1) notes the compliance with the terms of the Code of Guidance in respect of the Council's relationship with KTCMI;**
- (2) notes the achievements of KTCMI during the financial year 2001/2002, as outlined in this report;**
- (3) approves continued support for the work of KTCMI, working in partnership with Scottish Enterprise Ayrshire and the retailers in Kilmarnock Town Centre;**
- (4) approves the proposed work programme for 2002/2003;**
- (5) approves the preparation and implementation of a Service Level Agreement in respect of the Council's funding of KTCMI for 2002/2003;**
- (6) remits to the Director of Development Services to bring further reports to future meetings of the Committee, regarding the monitoring of the agreed service level targets and outcomes.**

STEPHEN CHORLEY
Director of Development Services

22 April 2002/jrs

BACKGROUND PAPERS

Nil

For further information please contact JOHN SPOONER, Business Development Manager on Extension 6143.

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AGENDA