

EAST AYRSHIRE COUNCIL

DEVELOPMENT SERVICES COMMITTEE – 21 OCTOBER 2003

CODE OF GUIDANCE ON FUNDING EXTERNAL BODIES 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 current activities undertaken by the Kilmarnock Town Centre Management Initiative (KTCMI); and
- (2) 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 £35,000 per annum.
- 2.2 At the statutory meeting of the Council on 8 May 2003, the Chair of the Development Services Committee was nominated to represent the Council on the Board of KTCMI.
- 2.3 The Council also nominated the Chair of the Development Services Committee and Councillors Reid and Reeves to represent the Council on the Kilmarnock Town Centre Partnership. This is an informal group which comprises East Ayrshire Council, Scottish Enterprise Ayrshire, KTCMI and Kilmarnock Retail Trades Association. The Partnership provides a forum in which issues and proposals affecting the Kilmarnock town centre can be discussed and views sought.

3 STRUCTURE OF KILMARNOCK TOWN CENTRE MANAGEMENT INITIATIVE

3.1 The Board of KTCMI comprises 8 directors, as follows ;

East Ayrshire Council	2
Private sector retailers	<u>6</u>
Total	<u>8</u>

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. The chairmanship of the Board is currently held by **Malcolm McEnhill**, the manager of the Burns Mall Shopping Centre.

3.2 The Board of Directors meets monthly and updated financial reports are submitted to each meeting.

3.3 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.

3.4 In January 2003, Pamela Christie was appointed as Town Centre manager.

4 FUNDING OF KILMARNOCK TOWN CENTRE MANAGEMENT INITIATIVE

4.1 The Annual Report and Accounts for the year to 31 March 2003 have been prepared, audited and approved by the Board. The accounts showed a trading surplus of £8,150, which was accrued to reserves.

4.2 The total income for was almost £67,000 and comprised :

East Ayrshire Council	£33,950
Scottish Enterprise Ayrshire	£20,000.
Private sector	<u>£12,960</u>
Total	<u>£66,910</u>

5 ACHIEVEMENTS IN THE YEAR 2002/2003

5.1 In the 2002/2003 financial year, the budget of KTCMI has undertaken the following projects and initiatives, with the outcomes and achievements noted where possible.

5.1.1 Essential Guide to Kilmarnock Town Centre

Previous publications have been up-dated and 50,000 copies were distributed via town centre outlets, hotels and guest houses, visitor attractions, bus and train operators and Glasgow Prestwick International Airport.

5.1.2 2002 Summer Programme

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 to encourage people to visit the town and to shop there.

5.1.3 Farmers Market

The Farmer's Market is now an established event which continues to operate in the Foregate Square on the third Saturday of each month and attracts large numbers of people into the town centre. Other local traders continue to value the Farmers Market as they acknowledge the benefits which it brings to their businesses.

5.1.4 2002 Christmas programme

- the programme of town centre events was once again a success, particularly the "switch-on" by the Provost of the Christmas lights on the last Saturday in November, which attracted considerable crowds;
- a leaflet detailing the events of the Christmas programme was prepared and was widely distributed through the press and local shops;
- footfall figures in the Burns Mall reflected an increase on the year of 15% in the five weeks leading up to Christmas;
- support was given to the Cumnock Town Centre Initiative in the arrangement of their Christmas lights switch-on by the Provost on the first Saturday in December. This event was well supported by local people and traders and attracted considerable crowds.

5.1.5 Flower Baskets

The provision of flower baskets in the town centre was a successful venture, providing colour and vibrancy. The baskets were designed and supplied by East Ayrshire Council's Parks service.

5.1.6 Town Centre Newsletters

Newsletters are circulated to all town centre businesses as a means of ensuring that they are kept abreast of issues within the town centre and as a means of encouraging support for KTCMI projects.

5.1.7 PR and Advertising

Advertising and promotional features were regularly placed in the local press throughout the year, which represented significant in kind support from the Kilmarnock Standard, the Ayrshire Leader and West FM.

6 KILMARNOCK TOWN CENTRE REGENERATION PROPOSALS

- 6.1** The Committee is aware of proposals being developed jointly by East Ayrshire Council and Scottish Enterprise Ayrshire for the development of office accommodation at the northern end of the town centre area and which it is anticipated will have a significant positive impact on the town centre. As the

development proposals proceed, KTCMI has an important role to play in terms of the promotion of the opportunities which this development will present in terms of increased retail expenditure.

7 CURRENT ACTIVITY AND PROJECTS

- 7.1** Following the appointment of the new Town Centre Manager, the Board agreed that the name and image of Kilmarnock Town Centre Management Initiative was outdated and required to be updated to more accurately reflect the primary role of the company which is in the marketing and promotion of Kilmarnock. After exploring various options, the Board agreed to change the registered name of the Company to Promoting Kilmarnock Town Centre Limited, to be known as **Promoting Kilmarnock**. The necessary changes have been registered with Companies House. A new logo in a modern style has been designed and adopted and there has been publicity in the local press.
- 7.2** A major priority for Promoting Kilmarnock in the current year is to significantly increase the membership of local businesses and thereby generate additional revenue which will be used to support the work of the company. A membership recruitment campaign, which will be targeted at all businesses in the town centre and the other retail areas (not restricted to shops) will be launched by the end of October 2003.
- 7.3** Allied to the rebranding of the company, the website will be redeveloped to provide a valuable and dynamic source of information on the town and to provide web-links to strengthen business and community interaction.
- 7.4** The development of new areas of housing in Kilmarnock itself and also in other community areas such as Stewarton presents opportunities for increasing the retail spend and therefore the vitality of Kilmarnock town centre. A targeted campaign of leaflet drops is planned in the new housing areas to inform residents of the benefits of shopping in Kilmarnock. It is also hoped that the success of such a campaign will encourage the development of the business membership of Promoting Kilmarnock.
- 7.5** A project is being developed to provide Town Notice Boards which would provide clear and highly visible information for visitors. These notice boards would include a town map and information on current activities which are taking place, together with contact details for the VisitScotland call centre. This project is being developed in conjunction with the Ayrshire & Arran Tourist Board.
- 7.6** The image of the town centre is greatly enhanced in the summer period by the floral hanging baskets, but it is acknowledged that the image could be further enhanced by the development of the river area in the town centre. A project proposal is currently being developed and funding options are being investigated.

- 7.7** Throughout the year, Promoting Kilmarnock will continue to manage its successful programme of Christmas and Summer Festivals and will seek to become involved in the development and promotion of events in Kilmarnock, which form part of the Burns Festival.
- 7.8** The fulfilment of the above projects will be closely monitored by the Board of Promoting Kilmarnock and will be reported to the Development Services Committee, following the end of the company's trading year.
- 7.9** The above projects will be incorporated into a formal **Service Level Agreement** which will be concluded between the Council and Promoting Kilmarnock.

8 FUNDING AND VALUE FOR MONEY

- 8.1** In the year 2002/2003, the funding contribution provided by East Ayrshire Council represented 51% of the base line budget of KTCMI and the funding contribution from Scottish Enterprise Ayrshire represented 30% of the base line budget.
- 8.2** Due to changes in national priorities in the Scottish Enterprise network and the move away from supporting town centres, Scottish Enterprise Ayrshire have confirmed that their funding contribution to Promoting Kilmarnock in 2003/2004 will be reduced from £20,000 in 2002/2003 to £15,000, with further reductions to £10,000 in the following year and to £5,000 in the financial year 2005/2006. Thereafter, Scottish Enterprise Ayrshire would be unable to provide funding for the work of Promoting Kilmarnock.
- 8.3** This loss of funding support from Scottish Enterprise Ayrshire has a significant effect on the resources available to support the work of Promoting Kilmarnock and alternative means of funding are currently being investigated. As noted at para 7.3, the recruitment drive is a major element of the structuring of the finances and other proposals are currently being investigated.

9 POLICY IMPLICATIONS

- 9.1** The activities of Promoting Kilmarnock, working in close liaison with East Ayrshire Council and other local partners will assist in the achievement of the goals of the **East Ayrshire Community Plan : Improving Opportunities Theme**.

10 LEGAL IMPLICATIONS

- 10.1** Promoting Kilmarnock maintains its insurance cover in respect of Directors and Officers Liability Insurance (DOLI), as required by East Ayrshire Council.
- 10.2** All other relevant insurances are in place.

11 FINANCIAL IMPLICATIONS

- 11.1** The approved funding support for Promoting Kilmarnock in the current financial year is £33,950 is allocated from the Funding of External Agencies budget.
- 11.2** To maintain the cash flow position of the company, half of the annual payment was released at the beginning of the financial year and the other half will be paid, following approval of this report.

12 PERSONNEL IMPLICATIONS

- 12.1** There are no personnel implications.

13 RECOMMENDATIONS

- 12.1** That the Committee :
- (a) notes the compliance with the terms of the Code of Guidance in respect of the Council's relationship with Promoting Kilmarnock;
 - (b) notes the achievements of the company during the financial year 2002/2003, as outlined in this report;
 - (c) approves continued support for the work of Promoting Kilmarnock, working in partnership with the retailers in Kilmarnock and other relevant agencies;
 - (e) approves the preparation and implementation of a Service Level Agreement in respect of the Council's funding incorporating the activities set out in Section 7; and
 - (f) 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
8 October 2003/jrs

BACKGROUND PAPERS

1. Essential Guide to Kilmarnock Town Centre
2. KTCMI Report and Financial Statements for the year ended 31 March 2003

For further information please contact John Spooner, Business Development Manager on Extension 6143.

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