AGENDA ITEM 8

RURAL ECONOMIC AND ENVIRONMENT COMMITTEE

15 JUNE 2011

REPORT OF HEAD OF COMMUNITIES & NEIGHBOURHOODS

MELTON TOWN CENTRE- BENCHMARKING PERFORMANCE

1.0 PURPOSE OF REPORT

1.1 The report seeks to update members on the town centre's performance in 2010, through analysis of the Melton Town Centre Annual Report 2010. The report also seeks to evaluate the town centre's performance on a year on year basis and offer comparisons with other comparable market towns, both across Leicestershire and East Midlands and against current national statistics.

2.0 RECOMMENDATIONS

2.1 Members note and comment on the Melton Town Centre Annual Report 2010.

3.0 KEY ISSUES/BACKGROUND

3.1 Benchmarking data is collected on a quarterly and annual basis within the town centre, with the aim of providing consistent data to monitor the town centre's performance. Data collection comprises 12 key performance indicators, which include Business Confidence surveys, Visitor surveys, Footfall counts, Car park usage, Vacant unit rate etc. (See Appendix A for KPI's). This report seeks to provide a full evaluation of the town centre's performance, and to compare performance on a year on year basis. It also seeks to offer comparison with other comparable market towns, both across Leicestershire and East Midlands and to compare performance against national statistics.

3.2 The data is collected predominantly by visual surveys and counts (footfall and car park usage), individual surveys and consultation (business confidence, visitor surveys, postcode origins, retail yields, vacant units etc). Car park usage and footfall counts are recorded in April and May each year, at the same times and town centre sites. Other surveys and data are collected in September. This seeks to provide a more comprehensive and accurate year on year comparison, and is also so for the other Leicestershire and East Midlands comparator towns.

3.3 Within the Melton Town Centre Report 2010 (Appendix A), the town centre performance is also compared against the national average and East Midlands Comparator group. It is worth noting, that the national average in this report refers to the average of all those towns taking part in the benchmarking, and not the UK national average.

3.4 The East Midlands Comparator town in this group is Knutsford, which like Melton Mowbray, Market Harborough and Lutterworth, is a traditional market town. Like these towns, Melton has a similar average split of comparison to convenience at 70:30%, and a high number of independent shops at 72%, with a small amount of key attractors at 2%. Melton does have however a higher than average degree of industry within the town centre, unlike the other Leicestershire towns at 9.79%, compared to the national average of 0.97%. This fundamentally relates however to the town centre boundary and the inclusion of Snow Hill within the town centre, despite the inner relief road boundary.

3.5 Melton also shows a higher than average number of food and drink establishments at 18.14% compared to a national average of 9.71%, which reflects its destination as a visitor attraction, especially relating to Food and Drink. The Shoppers Origin survey (Appendix A) reflects the town's increasing attraction. Local visitor numbers have fallen from 54% in 2009 to 28% in 2010 (Appendix B), compared to a national average of 58%, Tourist visitor numbers however have dramatically increased from 8% in 2009 to 30% in 2010, the highest of all the other Leicestershire towns (Appendix C). This is largely due to the continued promotion of the town as a tourist destination for visitors and groups, with attendance at excursions, eg Best of Britain and Ireland and continued promotion to group travel operators. 11-15 coaches on average visit the town centre on a Tuesday alone, from destinations such as Norfolk, Hampshire, Wisbech and group travel to the town centre is set to rapidly increase into 2011.

3.6 The town and Borough has a strong brand image as the Rural Capital of Food & Drink, but also offers thriving and successful markets, which play a key role as an attractor to the town centre. Market numbers have increased since 2008, totalling 129 traders in 2010, compared to a national average of 27. Footfall and car parking usage figures are also high on a Tuesday, Market day and the town's busiest day, with an average occupancy of 85% (national average 83%). Footfall figures have increased slightly too from 2009 to 2010, which is particularly significant, given the cumulative decline in footfall across the UK of 20% since 2007 (National High Street Index, October 2010). The visitor surveys also show that visitors come into the town centre on a more frequent basis than the Leicestershire and national average (69%), which reflects the draw of the markets on a Tuesday and Saturday. It may also reflect the visit by local shoppers on the quieter, non-market days. .

3.7 The visitor survey also shows that more people come into the town centre, in the main to access services, 34% compared to the national average of 16%. The majority of people also arrive into the town centre by car, 62%, which is far higher that the regional or national average. This reflects in the consistency of car park usage between 2008 and 2010 and the town's rural location.

3.8 Whilst 53% of visitors believed the physical appearance of the town centre to be good or very good, compared to the national average of 68%, Business survey results for 2010 showed that 65% of businesses within the town centre felt that the town centre cleanliness was excellent or acceptable. As part of the Town Centre Action Plan and Masterplan, the town centre continues to work with and support organisations such as Melton in Bloom, to continue to improve the appearance of the town centre. This has included flags and bunting for St George's Day events and street entertainment, hanging baskets and planters throughout the town centre etc.

3.9 Business surveys also show that the business perception of retail mix has dramatically improved in 2010. When questioned in 2008 what attracted businesses to the town, 4% answered mix of retail offer. This has increased steadily from 15% in 2009 to 22% in 2010, reflecting the significant increase in business start ups and retail mix in the town centre in 2009 and 2010.

3.10 Successful and increased business start ups in the town centre, have significantly also impacted upon the town centre's vacant unit rate. Appendix B, for example shows a notable increase in the number of businesses trading for less than one year (14%), which reflected the high number of start ups in the town centre during 2009. Appendix C shows that Melton has one of the lowest vacant unit rates in Leicestershire of 3%, decreasing from 6% in 2008 and below the national average of 8%. The current UK national vacant unit rate is now 12.3%. The town centre works closely with agents and landlords to promote the commercial availability in the town centre, and to support business start ups. Business support has included over £33,000 funding of Shop Front Grants for new and existing businesses in the town centre, free websites and free training courses between 2008 and 2010.

3.11 Businesses confidence in the town centre is increasing. 59% of businesses in 2009 had concerns with regards the prosperity of the town centre, but this fell to 38% in 2010. Similarly, concerns with regards rental values and premises costs have decreased from 61% in 2009 to 31% in 2010. This is also reflected in the reduction in retail rental in 2010, and liaisons between landlords, agents and the town centre with regards business start up initiatives and business support. Liaison is also being held with businesses, with regards business car parking rates and opportunities for town centre businesses. This will include potential parking at Scalford Road long stay car park for businesses, with monthly and annual business tickets.

3.12 Surveys also show that businesses are facing increased competition, with notable increases from other town centre businesses; 83% in 2010 compared to 39% in 2009. The greatest competition however is now from the internet and on-line buying, rising dramatically from 11% in 2009 to 56% last year. The town centre's Think Melton Shop Melton campaign continues to support businesses on this basis, encouraging locals to shop locally, through car parking campaigns, local business advertising & promotional campaigns and events.

3.13 During a difficult economic climate, independent businesses particularly in the town centre continue to show longevity. The Business Confidence surveys support the length of time that businesses have survived in the town centre, with 57% of businesses having traded in the town centre for more than 10 years. The town centre also shows one of the highest percentages across Leicestershire, in terms of increased turnover and profitability.

3.14 In 2010 56% of businesses showed an increase in turnover, compared to a national average of 35% and Leicestershire average of 37%. 66% of businesses also forecasted an increase in turnover in the next 12 months, compared to a national average of 45% and Leicestershire average of 51%. Melton also demonstrated one of the highest percentages of business profitability across the county, with 45% of businesses reporting an increase in profitability in 2010, compared to the Leicestershire average of 34%.

3.15 61% of those businesses surveyed also expected to grow their business over the next year. Continued support for start ups and existing businesses, via business promotions & advertising, the Think Melton Shop Local and Melton Means Business schemes and continued partnership working with agents and partners etc, it is hoped will continue to enhance the prosperity and vitality of the town centre into 2011-2012.

4.0 POLICY AND CORPORATE IMPLICATIONS

4.1 The data collection and reporting provides a key evaluation of the town centre performance, from a visitor and business perspective alike. It will continue to identify and determine key projects and priorties, to take forward within the Town Centre Action Plan, as delivery of Melton Borough Council's Priorities and Town Centre Masterplan; to "enhance the vitality and viability of Melton Mowbray Town Centre" and promote a "cleaner, greener and more attractive town centre".

5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

5.1 there are no direct implications from the recommendation in this report, however, members are asked to note:

> 5.1 In 2010/11, funding was secured through the Leicestershire Rural Partnership Inspire scheme, for Leicestershire towns taking part in the annual benchmarking. The £3000 grant was used as part of the Think Melton Shop Local Christmas campaign in 2010, which included the production and distribution of 22,500 Christmas cards Borough-wide, promotion of town centre business discount schemes via websites/newsletters and Christmas events/entertainment.

5.2 Potential funding is confirmed again for 2011/2012 via the Leicestershire Rural Partnership for Leicestershire towns.

6.0 LEGAL IMPLICATIONS/POWERS

6.1 No legal implications have been identified.

7.0 COMMUNITY SAFETY

7.1 Business surveys include evaluation of crime and safety within the town centre. As part of the Masterplan and Council Priorities, the Town Centre Action Plan continues to support and work with key organisations, such as SMART, PUBWATCH and the Town Centre Crime Group to deliver crime and safety initiatives in the town centre.

8.0 EQUALITIES

8.1 No equality impact assessment implications

9.0 RISKS

9.1 No risks associated with this report

Probability

Very High A				
High B				
Significant C				
Low D				
Very Low E				
Almost Impossible F				
	IV Neg-ligible	III Marg-inal	II Critical	I Catast-rophic

Impact

Risk No.	Description
1	
2	
3	
4	
5	

10.0 CLIMATE CHANGE

10.1 There are no climate change implications relating to this report.

11.0 **CONSULTATION**

11.1 All 443 businesses within the town centre are consulted quarterly and annually via Business Confidence Surveys. Business consultation also includes the below:

Quarterly town centre newsletters
Media updates through the Melton Times and Leicester Mercury
Website updates through the Melton Borough Council and Melton Town Centre Partnership websites.
Networking events and individual consultations
Annual Town Centre Business event
Monthly updates on High Street Index, national stats, business events/training and government updates

Visitor surveys are carried out on a quarterly and annual basis in the town centre and during events.

Consultation with agents and partners, with regards rental yields, number of markets etc.

Monthly counts and consultation with agents and landlords, with regards vacant units, commercial availability and inward investment.

Quarterly and annual visual surveys/counts of car parking usage and footfall.

Event evaluations – includes footfall, visitor and business surveys, car park counts

12.0 **WARDS AFFECTED**

12.1 Town Centre ward

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Appendices:	Appendix A – Melton Town Centre Report 2010 Appendix B – Town Centre Report 2011 (Comparisons) Appendix C – Town Centre Comparisons 2011
Background Papers:	
Reference:	X : Committees/REEA/08.06.11 – Town centre benchmarking.