

<b>SUBJECT:</b>	<b>CHRISTMAS MARKET OUTTURN REPORT 2016</b>
<b>DIRECTORATE:</b>	<b>COMMUNITIES AND ENVIRONMENT</b>
<b>REPORT AUTHOR:</b>	<b>SIMON COLNBURN, ASSISTANT DIRECTOR (HEALTH AND ENVIRONMENT)</b>

## **1. Purpose of Report**

- 1.1 To provide a report to Performance Scrutiny Committee on the financial performance of the 2016 Lincoln Christmas Market.

## **2. Executive Summary**

- 2.1 This report considers the financial position of the 2016 Lincoln Christmas Market.
- 2.2 Expenditure was broadly in line with budget with an outturn of £495,499 against a budget of £490,990.
- 2.3 Income was significantly over budget with an outturn of £597,573 against an income budget of £567,510.
- 2.4 Overall the 2016 market produced an operational surplus of £25,555 (excluding CSS charges). This is predominantly due to the significant increase in park and ride numbers experienced at this year's market.

## **3. Background**

- 3.1 The 2016 Lincoln Christmas Market was held from Thursday 1<sup>st</sup> December to Sunday 4<sup>th</sup> December 2016 and was visited by around 260,000 people over 4 days.
- 3.2 According to the 2015 visitor survey carried out by the University of Lincoln on our behalf - total visitor spend has been estimated as in the region of £14 million with the estimated economic value to the City of £2.65 million.

It also concluded that:

- over 60% of visitors travel to the City for the market;
- average visitor spend at the market has increased from £53 in 2014 to £57 in 2015.

## **4. 2016 Outturn**

- 4.1 The overall financial position of the 2016 Lincoln Christmas Market is attached at Appendix A and is referred to throughout the report.

## **4.2 Visitor Numbers**

It is virtually impossible to accurately count the number of visitors to the market area as it is held on public streets and has several routes of entry. However over the last couple of years we have tried to more accurately count and estimate the visitor numbers to the market.

- 4.3 In 2016 we counted 231,000 visitors entering the Eastgate of the Castle. Taking into account around another 15% of visitors attending the market but not entering the Castle we estimate total numbers over the weekend to be in excess of 260,000 visitors.

## **4.4 Weather**

While the weather is outside of our control it is important to note that the weather is a very significant factor in both visitor numbers and costs associated with set up, running and breakdown of the market.

The weather in 2016 was ideal from an organiser's perspective. This means there were good visitor numbers and reduced issues and costs associated with adverse weather such as heavy rain or strong winds (such as laying additional flooring in wet areas).

## **4.5 Income**

The market has 3 main streams of income –

- stallholder fees,
- park and ride ticket sales and
- coach bookings

- 4.6 The 2016 market had 200 stalls which achieved an income of £386,183. Income from stallholder fees is therefore slightly above the budget of £381,260. Fees and the budget were generally increased by 8% compared with the previous year. Income from the fairground was £21,330 which is £4,640 over target.
- 4.7 The Park and Ride which operated from the Lincolnshire Showground was used by 10,591 vehicles (around 32,000 passengers). This is an approximate total increase in usage of 18% compared with last year. Saturday and Sunday saw percentage increases of 28% and 34% respectively. Income received was £144,570 which was approximately £21,000 over target despite a freeze in charges and a budget increase of 3%.
- 4.8 It is believed that this is primarily down to the reduction in parking spaces available in the City Centre during the transport hub works. The negative perception of traffic congestion and parking availability in the city centre combined with strong and coordinated promotion of the park and ride appears to have resulted in the significant increase in use.
- 4.9 It can therefore reasonably be expected that when the new multi-storey car park is open and parking availability in the city centre improves we will see a drop in

demand for the park and ride service.

4.10 Coach bookings continue to reduce. Coach parking is operated from Waitrose car park on Thursday and RAF Scampton Friday to Sunday. A total of 268 coaches attended the market in 2016 compared with 290 coaches in 2015 generating income of £20,640. Income is therefore down compared with last year and is £5,130 below budget.

4.11 Reduction in coach trips to events such as these would appear to be a general national trend as consumers prefer not to book such trips significantly in advance. We extended the deadline for advanced coach bookings past the normal deadline and actually received a notable proportion of the advance bookings during this extended bookings window.

#### 4.12 **Expenditure**

The most significant items of expenditure are:

- Staff costs;
- Venue hire costs and
- Contractor payments.

4.13 Staff costs ('overtime') cover the 40 or so City Council staff that contribute to the safe and effective running of the market over the actual market period and include those carrying roles such as event office staff, zone supervisors, logists, CCTV and Environmental Health. These costs have come in at £11,008 slightly below the budgeted amount of £13,000. This is mainly due to areas such as Environmental Health absorbing some of their direct costs within their service area.

4.14 The market is of course split across a number of different venues. Venues include the Castle, Lincolnshire Showground, RAF Scampton, and the event office and control room. Total costs of venue hire came in at £44,203 compared with a budget of £45,000.

#### 4.15 Contractors

The final outturn for contractor costs is £420,365 compared with the budget of £411,240 which is slightly higher than the predicted outturn to Performance Scrutiny Committee in January 2017 which predicted an outturn of contractor costs of £410,510.

4.16 There were some variations in actual contractor costs compared with budgeted costs. For example the Police costs nearly doubled with a projected cost of approximately £14,000 against an initial budgeted cost of around £8,000 due to the requirement to provide additional policing for security purposes. Likewise traffic management was also approximately £12,000 above budget. Contractor costs for dealing with adverse weather and other similar works was significantly less than budgeted.

4.17 There was also a requirement to bring in specialist support at the Event Commander level to deal with a gap in staffing which is essential to the safe running of the event. This will not be required for 2017's market.

4.18 Other costs – there are some small payments to be made for a couple of areas of damage in The Lawn. These have been accounted for and will be met from existing budgets.

4.19 CSS Charges

The CSS charges for the 2016 market were £91,791 compared with a budget of £123,480, this was an underspend of £31,689. The reasons for the underspends will vary but as the council has underspent as a whole these underspends have rightly found their way into the market. These are detailed further in Appendix 2.

4.20 **Overall Performance**

The outturn report demonstrates an operational surplus of £25,555 over budget for the 2016 market.

4.21 This is due to a number of factors including re-procurement and management of contractors, reduced costs due to mild weather, increased income from stalls and most significantly increased income from park and ride.

4.22 £25,000 has been approved as a carry forward to create an equalisation reserve to mitigate future year losses if required from things such as adverse weather.

4.23 2017 Market Emerging Issues

Given recent terror events the Christmas market team have been working closely with the Police to develop additional measures for the 2017 Christmas market to ensure a safe and well run event. These will come at a significant additional cost and officers are working to ensure that as far as possible these costs are met from within the overall Christmas Market budget.

**5. Recommendation**

5.1 That members of Performance Scrutiny Committee note the contents of the report.

**Is this a key decision?**

No

**Do the exempt information categories apply?**

No

**Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?**

Yes/No

**How many appendices does the report contain?**

Two –  
Appendix 1 - Financial Report  
Appendix 2 – CSS Summary

**List of Background Papers:**

None

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