

Scrutiny Bulletin: 15 July 2024

Title of Update: Annual Performance review: The Matford Centre

Relevant Officers:

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1. What is the update about?

- 1.1 This report is to update Members on the performance of the Matford Centre for the financial year from 1 April 2023 to 31 March 2024.

2. Background

- 2.1 The Matford Centre is a multi-purpose centre on Matford Business Park.

- 2.2 The centre's business streams include:

- Exeter livestock market
- Leased units
- Events concourse
- Catering facility
- Meeting rooms
- External area
- External Hires

- 2.3 The Matford Centre is part of Markets & Halls which also encompasses the Corn Exchange and Markets Management.

- 2.4 The Facilities & Markets Manager has overall responsibility for Markets & Halls as well for Visitor Facilities (Underground Passages, Custom House and Red Coat Guided Tours). The Matford Centre Manager is responsible for day-to-day management of the facility.

- 2.5 Our responsibilities for the Matford Centre include:

- Management of the site including maintenance and security.
- Liaison with, and monitoring of, all tenants of the centre.
- Hiring of the venue for events and meetings.
- Overseeing the external running of the Sunday Market/Car Boot Sale.
- Identifying other income earning opportunities at the site.
- Organisation of other markets within the city.
- Giving advice and issuing consent to other market organisers.

3. Current position

- 3.1 There is one other full-time employee (Markets & Facilities Supervisor) this post works closely with the Matford Centre Manager. There is another part time employee, and occasional use of casual employees. There is a vacancy (currently being reviewed) for a part-time cleaner.
- 3.2 The Livestock Market is one of the largest in the Southwest and is operated by Kivells Auctioneers who have now renewed their lease until 2032. The revised terms of the lease are designed to encourage and support Kivells to increase business at the centre which will improve the financial position for the council.

Kivells have been extremely successful in attracting new business to Exeter with animal throughput increasing notably over the period of their tenure. The tables below show the animal throughput over the last five financial years and provides more details regarding the throughput in 2023/24, however, this is slightly lower than previous years due to the increased pressures on the agricultural sector:

Throughput	
2019/20	255,000
2020/21	253,000
2021/22	274,000
2022/23	294,000
2023/24	291,000

Throughput in 2023/24	
Sheep/Lambs	87%
Cattle	12%
Pigs	0.75%
Produce	0.25%

The auctioneers pay the Council a rent based on commission earned, with a guaranteed minimum rent. The rent received has increased year-on-year, and we are optimistic that this pattern will continue.

The total value of the transactions carried out at the livestock market during the financial year is approximately £50 million.

Another important part of the auctioneer's activities is special breed sales and shows such as those for young farmers which helps to ensure the future of the sector in the Southwest.

The following shows the amount (£) received by the City Council over the last five years:

2019/20	413,000
2020/21	391,000
2021/22	476,000
2022/23	502,600
2023/24	534,700

The auctioneers work very closely with the farming community, respecting the industry's traditions whilst introducing their modern approach to auctioneering. They assist the Farming Community Network (FCN) who provide a voluntary service to support farmers who often spend long hours out in the field with little or no social interaction.

3.3 The centre's concourse and external areas are hired to organisations who stage a variety of events.

There were 41 events hosted at the centre in 2023/24, this is similar to the previous financial year, but we have secured some higher-value events this year (such as regular boxing and supercar events) which has resulted in an increase in income.

The following shows the amount received from events over the last five years:

2019/20	82,000
2020/21	-8,000
2021/22	34,000
2022/23	57,000
2023/24	67,500

20/21 – returned deposits for events cancelled due to Covid

There were 114 meeting room bookings during the year. This is an increase of 70% on last year's figures, showing a more positive attitude towards meetings being held face-to-face, rather than virtually.

3.4 The centre hosts a market and car boot sale every Sunday morning. This consists of a mix of market traders' stalls, and private individuals selling their possessions at the car boot sale. A continued agreement to outsource this event is proving successful, seeing an increase in the number of both buyers and sellers attending the market. Outsourcing the market has been successful both financially and in reducing the staffing resource connected with holding the event.

3.5 The centre earns income from a number of property leases. The units are currently occupied as follows:

- Cafe
- Livestock auctioneer's office
- Estate agent
- Chartered surveyor
- Transport training centre
- Solicitor
- Insurance company
- Accountant
- Animal nutrition retailers
- Stagecoach bus depot

Most of these units have been occupied by tenants for some years which provides the centre with a stable income. Total income from this source in 2023/24 was £152,000. Currently one unit is unoccupied with a new tenant shortly to be assigned a lease. The annual budget is currently £137,000.

3.6 The centre has a large external area which, in addition to being used for the Livestock Market, Sunday Market and concourse events, also provides an income from activities such as vehicle storage and lorry & motorbike training.

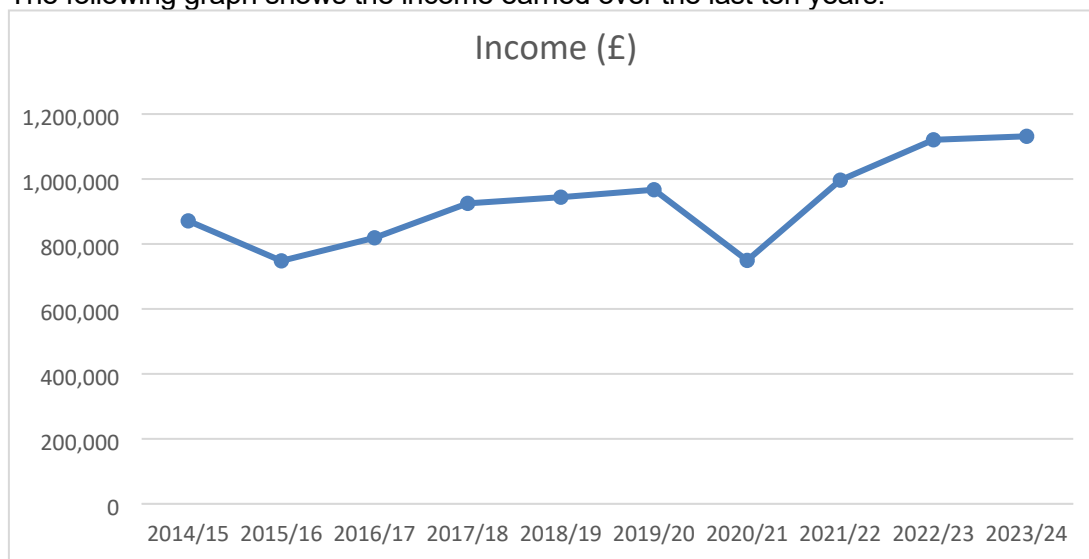
This income is less certain because of short-term licences which frequently change according to clients' requirements, although over the last five years average annual income has been more than £77,000.

The total income from this source in 2023/24 was £85,000.

- 3.7 The centre also earns income from the solar panels installed on the roof in 2015. Total income from this source in 2023/24 was £175,000. The centre now has a battery storage facility enabling us to use stored renewable energy.
- 3.8 Financial Performance - Total income (pre-VAT) for the centre in 2023/24 was over £1.1 million, and was a small increase on last year, which was the first time the centre achieved over £1 million. The following shows the total income earned at the centre over the last five years:

	2019/20	2020/21	2021/22	2022/23	2023/24
Nett Income (£)	967,000	749,000	996,000	1,121,000	1,132,000

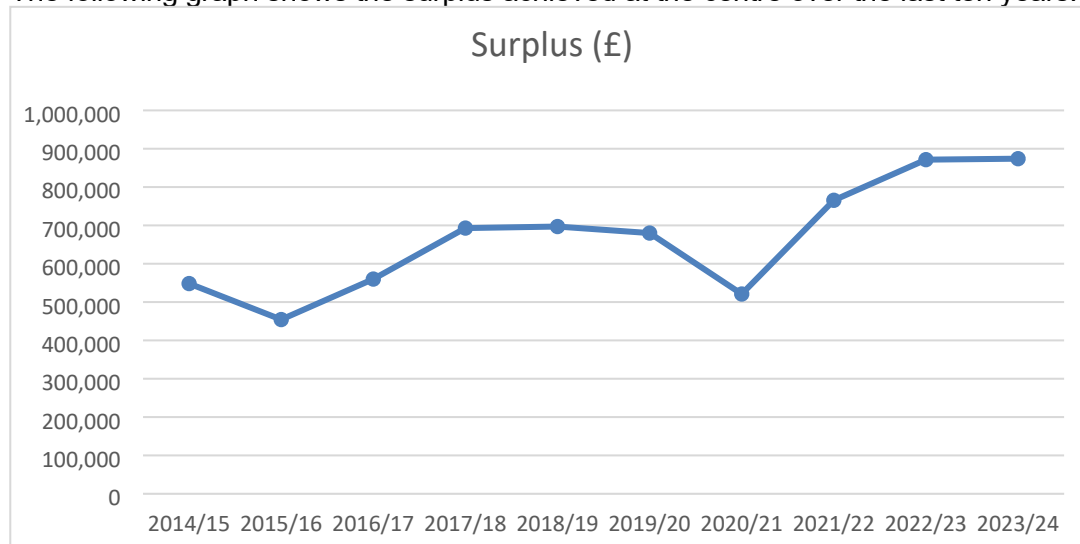
The following graph shows the income earned over the last ten years:



- 3.9 The centre achieved an operating surplus of £871,000 in 2023/24, this is equal to that of the previous year which was the highest ever achieved. The following shows the surplus achieved over the last five years:

	2019/20	2020/21	2021/22	2022/23	2023/24
Surplus (£)	680,000	521,000	765,000	871,000	871,000

The following graph shows the surplus achieved at the centre over the last ten years:



. Figures exclude FRS adjustment and depreciation.

4. Principal Objectives

The following are the principal objectives for the centre as identified by the current service plan:

- 4.1 Ensure a smooth transition to the new management structure being implemented in autumn 2025 and find solutions to any issues it raises which affect the running of the facility.
- 4.2 Review the lease for the centre's catering unit, which is due to expire in March 2025.
- 4.3 Work with Net Zero team to ensure continued optimum performance of solar panels.
- 4.4 Work with the auctioneers to continue increasing throughput at the livestock market.
- 4.5 Review operation of the Sunday Market.
- 4.6 Increase the number of events/meetings hosted at the centre and explore the scope for two-day events.
- 4.7 Increase income stream for external equipment hire opportunities.
- 4.8 Work with the Estates team to ensure lease renewals are achieved in a timely manner.
- 4.9 Work with the Estates team to achieve a successful outcome in respect of the drainage issue being discussed with South West Water
- 4.10 Work with CPA to ensure that building maintenance issues are addressed in a timely manner.
- 4.11 Formalise the fees charged and policy applied to Market Consent applications.

5. Conclusion

The work of the Matford Centre Manager and her team has resulted in another successful year for the centre.

Income was the highest ever achieved, and the overall financial surplus remains close to £900,000.

The business relationship with the centre's principal tenant (livestock auctioneer) remains positive and the uncertain income stream from the centre's external areas is being maintained through the fostering of good relations with local businesses.

The outsourcing of the Sunday Market has proven to be a good decision, and the number of events and meetings hosted is finally recovering to close to pre-pandemic levels.

David Lewis
Facilities & Markets Manager
July 2024