

BRIGHTON & HOVE CITY COUNCIL

SCRUTINY PANEL ON SUPPORT FOR THE RETAIL SECTOR

6.00pm 27 FEBRUARY 2012

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MINUTES

Present: Councillor Mitchell (Chair)

Also in attendance: Councillor C Theobald

PART ONE

1. PROCEDURAL BUSINESS

- 1.1 Councillor MacCafferty sent his apologies. There were no declarations of interest or declarations of party whip.
- 1.2 RESOLVED; that the press and public be not excluded from the meeting.

2. CHAIRS COMMUNICATIONS

- 2.1 The Chair welcomed everyone to the first Scrutiny Panel public meeting on the Support for the Retail Sector.

The Panel was set up after the Streets Ahead event in 2011 which brought together local traders, large chain stores, council officers and campaign groups to look at how to support the Brighton & Hove's retail offer.

This Panel had been set up to hear from retailers and retail experts who wished to speak to about their ideas and issues.

The Panel had agreed their objectives which were around supporting our retail sector through looking at ways of:

- partnership working with all types of retailers, landlords and developers and agents
- what effective marketing and promotion could be used?
- how could the city's retail sector be developed?
- how could regulations and advice be used by retailers
- how could street markets have a more positive impact?

- 2.2 It was important that the Panel heard retailers' views. The process of the review was to gather evidence by either speaking in public to the panel, through tweeting on BHRetailScrutiny, or through the social media live chat, e-mailing, writing in or

telephoning. Included in the agenda was the feedback we had already collated through these means.

- 2.3 At the end of the review, the Panel would agree a set of recommendations which would be based on the evidence heard. A report of the findings and recommendations would go to the decision making committee for their approval.

3. WITNESSES

- 3.1 Gavin Stewart the BID Manager presented the following information:

A BID was a defined geographical area which involved all businesses located within it. Traders joined together to fund improvements to their trading environment.

Key Themes: Support the bottom line & true partnership working.

1. *How can Brighton & Hove's unique retail offer be supported and the impact of high inflation and the economic downturn be mitigated?*

Increase footfall and spend/ lower overheads

- Parking Charges / Car Parks / General on street parking / Park & Ride
- Business Rates and Rents – help to lower overheads. Support of the creation of Rent Registers to help the independent sector know what they should/shouldn't be paying. Plus a completely transparent explanation of what the Business Rates actually paid for in Brighton, as many businesses still thought they should go towards xmas lights/waste collection etc.
- Support city centre festivals and events to bring people in – reimagining the high street and what it means. Provide more public service on the high street too – customers come for meal/theatre/engage with council etc.
- Destination Management Organisation ((DMO), essentially an outsourced tourist function that is self financing) pushing the retail and 'leisure shopping' market hard
- Creation of a City Centre Strategy.
- There was a lot of work already going on with partner agencies in the city to support the retail sector (BID/BCRP) but recently there had been a loss of funding for both a Hove Town Centre Manager and a Brighton City Centre Manager. The Governments' recently publish 'Review of the high Street' by Mary Portas outlined a number of ideas which could reinvigorate the High Streets across the UK. In the report Portas argues strongly for 'Town Teams'. These would be Town Centre Manager (TCMs), Landlords, BIDs, Retailers the police, Council, residents all working together to look at the strengths /weaknesses/opportunities and threats facing the city centre as a whole. This could be coordinated by a TCM in Brighton but currently we no longer have such a role when arguably the city now has a greater need for one.
- Customer Service beyond excellence: responsibility of the whole city.
- BID – Xmas lights /dressing the city /on street security/ brilliant brighton website promoting BID businesses directly.
- Loyalty Card Schemes
- On a national scale – National Planning Policy Guidelines need to take a more holistic view of planning (making it easier to change use classes for key properties the high

street) . We need to be working together to encourage a better mix of retail/bars & clubs/ restaurants and cafes. Out of town shopping developments need to be curbed in favour of city centre initiatives

2. *How can the independent retail sector and multiple/larger chains work in partnership to ensure work towards sustaining the viability of the retail sector?*

BIDs

3. *What effective marketing and promotion would benefit the city's retail sector?*

- Access points from the station and general signage throughout the city
- Shopping guides for visitors
- E-mail marketing and website promotion on special offers (brilliantbrighton.com)
- Twitter/facebook etc

4. *How can retailers, landlords, prospective developers and agents develop the city's retail sector?*

City Centre Strategy/Town Team / SuperBID

5. *How can regulations and advice regarding the retail sector be utilised and accessed more by retailers?*

Engaging the retail sector is not easy - positive partnership between the City council and business associations and business groups. (Which does already happen to a large degree) engaging with the smaller retailers through direct activity (i.e an officer (TCM) regularly visiting with information).

6. *How could street markets have a more positive impact on retailers?*

Tricky – in some areas there was a high desirability for an on street presence to attract trade: Preston Street prime example: those businesses wished to have a 'Preston Street food festival' but the barriers put in place by the city council made it almost impossible. (75% of residents and businesses must be in favour before the council will consider it).

In others, there is the polar opposite (Sydney Street / George Street Hove)

Answer is to get involvement of the retailers: survey them, work with them, offer them free pitches (as they already pay business rates), but ultimately - do it in partnership.

7. *What is the purpose of the BID? How do you support retailers currently? What do you do to improve the overall shopping experience in the city?*

Business led initiative where improvements to the city centre are voted and paid for by those businesses within the BID. The BID supports BID levy payers by delivering the Business Plan that they have voted for. Xmas Lights, Dressing the City and on street security. But in addition we look to reduce business overheads :

Using the bulk buying power of the 517 BID businesses. We , work with Meercat Associates to reduce bills on a bulk procurement scheme (some businesses have seen their gas/electricity and phone bills drop by £1000 in the last year). Add value by partnership working with other agencies: i.e NCP where BID businesses have already made over £14,000 of savings with NCP car parks as being part of the BID. Negotiated reductions in the cost of customer care courses at city college and help to promote

training that would benefit the business. Currently in negotiations with Sussex Enterprise to provide reduced price services for BID levy payers.

8. *Do you think there should be bids for other areas of the city e.g. Hove?*

The business community needs to decide that. If there was a willingness from the Hove Business Community or any other business org in the city, there would need to be a lot of preliminary consultative work. To set up the BID in 2006 it cost £70K (contributions from the Council, Business Forum and Private Business), in 2011, the renewal cost £55K and in Hove in 2007 it cost £15k to get to the point where we felt that there wasn't sufficient appetite to continue.

9. *How do you work with areas that are not part of the BID but have a common issue?*

There were already some overlaps. The BID is forging strong links with the North Laine Traders Association and have supported the set up of the Preston Street Traders association. In the spirit of openness and sharing of best practice, Brilliant Brighton (which is the brand name for Brighton BID) is willing to share information for the benefit of the whole.

10. *Does the BID feel they support the city's retail sector, as they only have a portion of representation of retailers?*

The BID supports the BID, and is bound by its constitution to only deliver the projects in it's business plan to the BID area. But as a knock on effect, the project to make the city look more attractive, i.e xmas lights, hanging baskets and bunting have generally positive effect on how the city as a whole is perceived by locals and visitors alike.

11. *What do you think the city council, or others, should be doing to support the retail sector?*

Working in partnership. Allowing the BID to become even more sustainable by helping it to create its own income. The BID owns the cabling for the xmas lights. The BID could bring in an income by hiring these out for advertising space thus allowing it to grow and potentially employ more people. E.g Empty properties officer to work with landlords/agents to open up empty properties and get pop up shops/art installations/theatre groups using the spaces and invigorating the high street.

Alternatively, an officer could be employed to work with buskers and street entertainers to create a thriving animated high street. It could also pay for a loyalty card scheme, larger xmas lights switch on event / promote shopping events in the city (20% off day etc)

Focus on attracting footfall, sorting out parking, making the city more accessible.

12. *How do think multiple chains stores and independents could work better together?*
Through BIDS

13. *How can independent retailers compete with both larger multiples and internet shopping?*

Those successful independents are the ones that already have an on-line presence – so any support that can be given to help them get there is great. If they are in the same business, they will never be able to compete on a like for like basis in terms of price. So they need to look at their 'offer', the customer experience and customer service. Those

are the things that will keep people coming back.

14. *What do you think the city centre will look like in 5 years time in terms of retail outlets, bearing in mind the increase in on-line shopping? + out of town shopping + the potential homogenisation of the high street + economic outlook (more job losses, lack of pay rises for those in work) + inflation*

The latest vacancy rate survey has been encouraging and in Feb saw a marginal decrease of 0.1% to just above 6% vacant. (National Av 14.3% / South East Av 11.1%).

However, for the city centre to compete over the next five years the landscape has to change – there needs to be more to attract people to the city centre (events/arts/culture as well as shops/restaurants and bars)

3.2 Questions raised included:

1. Could the BID be extended to Hove? The BID was a business led initiative, in the past businesses had voted not to be part of the BID in Hove. Retailers may feel differently now but it had to come from them.
2. How much money did the BID hold from traders? This equalled to 1.8mill which would be invested over the next 5 year.
3. In the Portas Review it refers to lobbying government, what would the BID lobby about? To facilitate a more productive high street by being able to change planning laws on the class use of premises.
4. Would the BID continue during these challenging times? Members were informed that the BID was reviewed in June 2011 which was still challenging for businesses but they could see the benefit of it.
5. What does the BID achieve in terms of procurement? The BID was looking in to bulk buying refuse collection, and had already made a deal with NCP , freeing up parking discounts (from £135 a month to £85) and negotiating free advertising in their car parks. Also through Meerkat Associates they have managed to get competitive rates for utilities and telephone bills for businesses. This had saved many businesses significant amounts of money with one trader saving over £1000 this year alone.
6. What support did the BID give to their businesses for rates and rents. This BID isn't in a position to offer any support in this area, however, the Council assisted small business with the small business rates scheme.

3.3 The Chair thanked the BID Manager for his input into the scrutiny inquiry.

3.4 Alex Mojee Bell, Business Development Director of the Red Bed Company in Portland Road, West Hove with Emma Harley-Jones, the Sales Director presented the following information to the Panel:

1. Portland Road felt like it had been forgotten in terms of receiving visitors. Brighton was seen as a family area with new residents moving down from London and a booming housing market.

2. Street Market- the retailer suggested that the road was wide enough to have a weekend street market and buses could be diverted along to Rutland Gardens. The market would increase footfall to the area.
 3. Competition- Multiple chain stores were threatening the vitality of their business as chain stores had greater buying power, which sometimes could result in the retailer not stocking a particular style of bed anymore as they were unable to compete with the multiple. The retailer was constantly trying to find new products to stock and stay a head of their competition. The chain stores locally had threatened to stop buying from the supplier if they continued to supply the independent. Also chain stores tended to have parking provision for their customers.
 4. To help promote the area there could be digital touch screens put at bus stops and at the rail stations and local points of interest with a directory of businesses in that area. Or a map with the different shopping locations in the city to make people aware that they did not just have to go to Churchill Square.
 5. The retailer had very good experience of and support from Trading Standards and the FSB, which was good value for money. They commented that the Council were not forthcoming with information.
 6. The retailer was keen to work closely with the Council to get support and also assistance in supplying beds for their services through a local tendering process.
 7. Parking - the retailers commented that the proposed business parking permit increase was too high. There was a 4 year waiting list for an all zones business parking permit, which was essential for the retailer, especially in terms of providing local delivery.
 8. The area was in need of loading bays. The deliveries had to go to Rutland Gardens which caused problems to residents in that road.
 9. The visitor parking permits did not give sufficient time to load beds and customers were left upset after receiving a parking fine.
- 3.5 Panel members raised the following questions which included:
1. Would the retailer consider joining the Hove Business Association as that would strengthen their lobbying power? Members were told that the West Hove area wouldn't be covered by the business association. But they were keen to form a separate association for their area.
 2. The redirection of buses to make way for a street market would be a major operation causing a lot of disruption to residents; however it would be easier once the market was established.
- 3.6 The Chair thanked the Manager and Director for their time and input.
- 3.7 Peter Allinson – Vice Chair of the North Laine Traders Association (NLTA) and the owner of Temptation Café gave information which included:

1. Temptation Café had been in business for 2 ½ years. The NLTA had been in operation for 22 years. The membership was a 110 businesses, it supported businesses in the North Laine area by promoting the North Laine, negotiating rates, passing on information and getting to know its neighbours. Footfall from residents and tourists was good within this area.
2. The cafe had a presence on the VisitBrighton website which promoted Brighton on a national level. The North Laine area was full of independent retailers selling a wide range of items which wasn't promoted enough and an area that Brighton should be proud of. It was an area once found, was revisited due to its unique products and atmosphere.
3. The welcome from Brighton Station was shocking and needed to be improved. It was also disappointing to hear that the Visitor Centre was going to be closed due to Council's budget savings. When tourists came out of the station they were drawn to the sea and Churchill Square (which had the same shops as other cities). Tourists walked past the North Laines as signage was poor to this area from the Station. Tourists at Temptation Café had feedback that they didn't know where to go to find the city's attractions. Maps were very useful to guide tourists to these attractions. Car parks had equally poor signage to the shopping areas and city attractions.
4. The costs of staying in business which included promotional costs, the BID (which was separate to rates), rates, rent, alcohol licences etc... were very challenging and caused businesses to fold, resulting in a churn. The Café's business rates were £10k+ per annum. There was a disconnect as to what in return businesses received for this, as the cost of refuse and alcohol licence were additional costs. It was felt that the BID was doing what the Council should be doing to support retailers.
5. Rent reviews with landlords were also challenging, as landlords would set these per square capita. However it was felt that multiples who may have paid a higher premium for their rent would then set a precedence on what other retailers would have to pay at their rent review.

Sharing information about rents gave traders knowledge about what they should be paying for their properties eg. £66 for an A zone property.

The council could play a broker role with landlords and tenant retailers so that landlords did not use other retailers to set a precedence on rent reviews. Or to assist new traders in negotiating their rents.

6. The Council could provide retailers with an information pack on how rents were set and how to get started. This should also include information on all the charges that they would be expected to pay the council during a year and how these were established. New retailers would find this beneficial and it would ensure that there were no surprises.
7. Other promotional ideas would be to have more QR codes that could be scanned smart phones to give visitor information at key city arrival points, such as the

station. Generally, include much better welcome information in the city centre and information on what was available in the different neighbourhoods around the city. VisitBrighton iphone application was excellent but it had a charge of £1.99 for this – this was not comparable with other cities where these were free.

8. The Food Festival had a negative impact on the Café resulting in a 53% decrease in takings on the previous year, for that Saturday. The Café and other similar retailers were empty and did not benefit from the festival. The cost of a food stall was approximately £130 which was a day's rent, and that the competition was unfair. The Pavilion café had people using their furniture to eat food from the festival rather than from their own food outlet. This should be an opportunity for North Laine traders to promote their own businesses. It was felt that the festival traders were leaving with the North Laine traders money.
9. The small business rate relief was disappointing and it was felt a waste of time as the amount of time taken to fill out the forms did not match the insignificant relief that was received. Only a few businesses could apply for the relief.
10. Various Traders Associations were trying to do good promotional work for the city and it was important that they worked together. The station gateway project was something that all traders could be involved with to help create a strategy for the city. Some traders were willing to give their own time to work on this.

3.8 Questions included the following:

1. What suggestions would you make to the station gateway project, in relation to improving its welcome? The Panel were told that a big board welcoming people was needed with key messages about the city, highlighting places to visit including other shopping areas that could be reached by bus, clear signposting to the city's attractions and QR codes . A kiosk to give out maps, information about our independent shops, listings of specialist retailers eg. Vintage shops etc...walking tours, local food. The car parks to have the same type of information.

It was important that the Council was in partnership with the station, as Traders Associations did not feel they had the power of authority to liaise with such an organisation. The Council had executives that were in a better position to speak to the station. There were retailers who would like to help the Council with this.

3.9 The Chair thanked Peter for his time and input into this Scrutiny inquiry.

3.10 Martin Searle (Development Manager, East Sussex)– FSB - gave information which included:

1. There were 1,600 businesses in the South East of which Brighton & Hove had 250 that had joined the FSB. For membership. These businesses had :
 - Access to 24/7 banking services.
 - More competitive prices for contracts/services eg. Telecommunications, refuse collections, rent and rates
 - Membership to networks

2. The objectives of the Panel had been surveyed out to all FSB businesses in Brighton & Hove and the feedback would be sent onto the Panel as a written submission.
3. At a recent business show in Brighton, the FSB – South East Manager had utilised his time to get views from attendees at the show and this feedback would be heard at tonight’s meeting.
4. In answer to the panel’s objectives- of how could the city’s retail offer be supported and the impact of high inflation and economic downturn be mitigated? The Panel were told that:
 - Support with business rents, rates and increases in car parking charges were the most challenging items for businesses. By increasing car parking chargers, it would have a negative impact on customers coming to shop in the city who would have to pay a premium for parking.
 - The Council needed to think of short term solutions. It would be useful for the council to influence a reduction in rates and rents.
 - Start with the consumer and to ensure there was easy access for shoppers within the city eg. Pedestrianism.
 - A safe city centre was important
 - The visual hours of stores open and the number of independents gave diversity the city.
 - With multiples moving into the high street eg. supermarkets and coffee shops it was important to prevent a homogenous high street. It was important for the city to get the right balance of different types of retailers units to sustain it’s economy.
 - Issues such as road works, made it difficult for consumers to get around the city, easily access shopping areas and dog fouling spoiled the customers’ experience. The Brighton station entrance was a scruffy welcome for visitors, who were mainly from London.
 - Other ways to support retailers were short term leases, green shoots, park and ride from Falmer and the Marina, as these were lower cost parking options for the consumer, encouraging a lengthier stay in the city.
5. How could the independent sector and multiples work in partnership to work towards sustaining the viability of the retail sector? Members were informed that :
 - Large stores increased footfall
 - Partnership working to form retail quarters/zones
 - 5 or 6 quarters in each area that could form twitter communities
 - These partnership groups could manage their own arrangements for that area and invest to revitalise the infracture of that quarter/zone
 - Creating Zone management and mentoring advice and support to retailers in their area
 - The law of plenty rather than scarcity to increase entrepreneurship
6. What effective marketing and promotion would benefit the city’s retail sector/? The Panel were told:
 - City discount schemes

- Pool funding to create joint on-line promotional offers by creating superfast marketing loyalty schemes to attract consumers
- Keep advertising the city in the Metro paper as a weekend destination
- Have unique street entertainment eg. Covent garden style, European markets.

7. How can retailers, landlords, prospective developers and agents develop the retail sector? Members were informed:

- Landlords to consider ways to prevent having empty sites
- Think collaboratively, by utilising the retail quarters to increase sustainability
- Use “pop ups” to fill empty units
- The Council’s Planning departments to ensure a balanced retail offer and restrict multiples as it kills the unique shopping experience.

8. How could regulations and advice regarding retail be utilised and accessed more by retailers? The Panel were told:

- A one stop website which collaborates all information that would be useful for retailers containing weblinks
- Face to face contact
- A clear concise one page checklist advising retailers of what maybe beneficial to them
- The FSB :
 - had Regulatory information which was quality controlled and policed eg. 24/7 legal advice
 - promoted a collaborative cultural approach
 - businesses support each other through area partnerships
 - had business advice groups which aimed to reduce bureaucracy; enabling mentoring
 - facilitate and coordinate with the Council.

9. How could street markets have a more positive impact on retailers? Members were informed that:

- Markets needed to compliment and be high quality to get buy in from local businesses
- Street entertainment works well
- Markets needed to have customer led thinking
- Markets needed good branding and should be diverse
- The Council to work collaboratively with street markets, learn from the FSB by developing entrepreneurship and reduce bureaucracy

3.11 Questions included the following:

1. Do you have any examples of discount parking schemes? The Panel were told that Eastbourne had a scheme where by if a shopper spent £50 they would receive a discount on their parking. This builds in loyalty.
2. Any advice you could give regarding empty properties? Members heard how empty units should be marketed for short term leases, however it would be more

useful to “avoid the void”. Short term leases were more available at Christmas where temporary retailers would trade over a limited period.

3.12 The Chair thanked the Development Manager for his time and input in this Scrutiny inquiry.

3.13 Alan Moon the owner of Cocoon in George Street, Hove presented the following information:

1. George Street was not part of the BID due to the cost of the membership as most businesses in George Street could not afford this additional cost. However the high quality work that the BID delivered would have supported retailers in George Street.
2. Retailers’ biggest enemy was business rates, which was an enormous tax. There would be a 5.6% increase in April 2012. This would be the final break for businesses. Business rates do not even cover refuse collection. Future legislation was that business rates would be retained by the Council.
3. The business rate relief scheme was very low threshold and meant that most businesses in Brighton would not have qualified for this, as the properties were above the threshold.
4. A 6 month “holiday period” for rates would help businesses to get through the recession or support from landlords with reduced rents.
5. Four chain stores closed in George Street the previous week. Shop closures can have a knock on effect. In the past empty shop frontages had picture boards improving the appearance of these empty units, however this has not happened.
6. The Council had neglected the street. Since moving the business to Hove, the owner had never seen a council representative or received any publicity from the Council to support his business.
7. The Owner had a store previously in the Lanes, Brighton and formed a Traders Association which worked with the NLTA and the Council to improve the area. The Owner planned to form a Hove Traders Association as there were benefits with collective working. This required a great deal of voluntary work. Some traders were not interested in joining.
8. There was need for a Town Centre Manager, as they would be the conduit between businesses and larger local organisations and were a central point to go to for advice. It needed to be someone from the Council.
9. George Street continued to suffer from vagrants and buskers and needed a positive way forward. Older citizens did not feel safe there.
10. There was the potential for George Street to be linked up with Portland Road.
11. Nigel Haigh the owner of Willow in George Street, Hove and the Lanes, Brighton presented the following information:

12. The Council owned the street lights and could put up colour coded banners to promote retail quarters.
13. It was important that the function of this scrutiny panel reached out to all retailers, who were outside the BID.
14. The Council had abdicated their role in supporting retailers and should be carrying out the functions of the BID. The BID was successful and the cost to traders did vary. Traders paid between 1-3% of the business rates to the BID.
15. George Street did have a Street Market on Saturdays which started in October 2010. The general policy was that it would be a Farmers Market selling high priced goods. It was not properly regulated. The Council only had powers to licence the markets and the traders. It did not have the powers to intervene in the operation of it. Different stalls opened which were not part of the original remit. The stalls were selling the same merchandise but cheaper and were in direct competition with retailers on George Street. Retailer's takings decreased by 50% on Saturdays, which was detrimental to their business. It took over 20 e-mails to find the right officer at the Council to deal with the closure of the street market.

Markets had to be situated in streets that did not have retailers, or that sold merchandise which complimented the retailers in that area. Eg. Upper Gardner Street.

16. A Town Centre Manager was needed, for retailers it was one point of contact for the Council. The Manager would have knowledge of who to deal with in the Council in relation to policy matters, obstructions, highways, street cleaning, designated shopping areas, publicity etc.
17. Free disc parking for 1 to 2 hours could be introduced to encourage shoppers to come to George Street or voucher parking in Portland Road.

3.14 The Chair thanked both retail owners for their input into the scrutiny inquiry.

4. ANY OTHER BUSINESS

4. Further meeting dates were:
 - Thursday, 1 March, at 6pm in this same room
 - Tuesday, 6 March at 4.30pm at Hove Town Hall, Committee Room 3.

The meeting concluded at 8.20pm

Signed

Chair

Dated this

day of