

# Northampton Borough Council Overview and Scrutiny



## Overview and Scrutiny

### Scrutiny Panel 2 – Retail Experience

27<sup>th</sup> June 2012

#### Briefing Note: Executive Summaries of published documents

#### 1 Background

1.1 At its inaugural meeting the Scrutiny Panel agreed that as part of its evidence gathering process summaries of various published documents would be provided to the Panel:

- The Portas Review
- The Right to Retail: Can Localism save Britain's small retailers
- Understanding High Street Performance
- Core Strategy – Northampton's Strategic Planning Policies
- Sustainable Community Strategy

#### 2 Information

2.1 Detailed below are the summaries of the above reports for the Scrutiny Panel's information:

#### 2.2 The Portas Review

#### 2.3 Summary

2.3.1 The decline of the local high street was reviewed by Mary Portas in 2011.

2.3.2 The overarching principle of the Review was the need to renew the high street and town centre as social as well as economic spaces. The Review states "they should become places where we go to engage with other people in our communities where shopping is just one small part of a rich mix of activities". The Review set out concerns about the character of high streets and with the way that money is kept within the local economy in order to maximise the benefit to town centres.

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2.3.4 In response to the increase in out of town shopping, the Review stated “the sheer sophistication, speed and scale of both the web and major supermarkets ... pushing new boundaries (meaning independent retailers) will never be able to compete sustainably on price”. The Review went on to note that the decline cannot be blamed on external factors alone, but also on high streets failing to meet consumer needs for convenience, service and entertainment, whilst failing to play to their strengths as physical and social points for a town or area.

2.3.5 The Review comprised twenty eight recommendations on how to reverse the decline of high streets and town centres as drivers of economic growth and social capital. The main focus of the recommendations:

- Regulation
- Planning
- Influencing landlords
- Involving local communities in decision making

2.3.6 Summary of the 28 recommendations:

1. Put in place a “Town Team”: a visionary, strategic and strong operational management team for high streets
2. Empower successful Business Improvement Districts to take on more responsibilities and powers and become “Super-BIDs”
3. Legislate to allow landlords to become high street investors by contributing to their Business Improvement District
4. Establish a new “National Market Day” where budding shopkeepers can try their hand at operating a low-cost retail business
5. Make it easier for people to become market traders by removing unnecessary regulations so that anyone can trade on the high street unless there is a valid reason why not
6. Government should consider whether business rates can better support small businesses and independent retailers
7. Local authorities should use their new discretionary powers to give business rate concessions to new local businesses
8. Make business rates work for business by reviewing the use of the RPI with a view to changing the calculation to CPI

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9. Local areas should implement free controlled parking schemes that work for their town centres and we should have a new parking league table
10. Town Teams should focus on making high streets accessible, attractive and safe
11. Government should include high street deregulation as part of their ongoing work on freeing up red tape
12. Address the restrictive aspects of the 'Use Class' system to make it easier to change the uses of key properties on the high street
13. Put betting shops into a separate 'Use Class' of their own
14. Make explicit a presumption in favour of town centre development in the wording of the National Planning Policy Framework
15. Introduce Secretary of State "exceptional sign off" for all new out-of-town developments and require all large new developments to have an "affordable shops" quota
16. Large retailers should support and mentor local businesses and independent retailers
17. Retailers should report on their support of local high streets in their annual report
18. Encourage a contract of care between landlords and their commercial tenants by promoting the leasing code and supporting the use of lease structures other than upward only rent reviews, especially for small businesses
19. Explore further disincentives to prevent landlords from leaving units vacant
20. Banks who own empty property on the high street should either administer these assets well or be required to sell them
21. Local authorities should make more proactive use of Compulsory Purchase Order powers to encourage the redevelopment of key high street retail space
22. Empower local authorities to step in when landlords are negligent with new "Empty Shop Management Orders"
23. Introduce a public register of high street landlords

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24. Run a high profile campaign to get people involved in Neighbourhood Plans
25. Promote the inclusion of the High Street in Neighbourhood Plans
26. Developers should make a financial contribution to ensure that the local community has a strong voice in the planning system
27. Support imaginative community use of empty properties through Community Right to Buy, Meanwhile Use and a new "Community Right to Try"
28. Run a number of High Street Pilots to test proof of concept

2.3.7 In February 2012, the Government accepted two of the recommendations to set up Town Teams and give communities the opportunity to pilot the creative plans they have for the future of their high streets. Each of the "Portas Pilot" towns selected will receive a share of £1million and receive support from the Government and Mary Portas.

2.3.8 The Government then formally responded to the Portas Review, accepting virtually all of the 28 recommendations; Grant Shapps, Minister for Housing, reported in March 2012 "Today, I'm accepting virtually all of the recommendations from Mary Portas's review... Her report has provided the catalyst for change that many towns have been craving. I now want to see people coming together to form their own town teams and turning their creative ideas into reality to ensure their high streets thrive long into the future".

2.3.9 The first 12 Portas Pilot towns, together with reported purpose, are:

Bedford, Bedfordshire - offering mentoring support for High Street businesses and community use of empty properties.

Croydon, Greater London - transforming the riot-stricken area's historic Old Town market into a thriving market, food and cultural quarter.

Dartford, Kent - opening up central spaces for use by classes and clubs, from the Scouts to Slimming World and starting a 'school for shopkeepers'.

Bedminster, Bristol - putting Bedminster on the map for Street Art and Street Theatre. A bicycle rickshaw service and a review of parking will also tackle the traffic environment.

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Liskeard, Cornwall - competing against the edge of town supermarket with a vibrant arts scene, guerrilla gardening and yarn bombing to inject fun back into the town centre.

Margate, Kent - putting education and enjoyment at the heart of the town centre's transformation with courses, 'job club' services and pop up shops.

Market Rasen, Lincolnshire - drawing customers in by restoring the market town look and feel, advertising free parking and mentoring new businesses.

Nelson, Lancashire - attracting local students with a young persons café, sports activities, and a new art and vintage market.

Newbiggin by the Sea, Northumberland - better branding of the town to draw people in, improving local transport and hosting pop up shops.

Stockport, Greater Manchester - realising the character and potential of the Markets and Underbanks area with a creative arts complex, outdoor screenings, a new parking strategy and street champions.

Stockton on Tees, Teesside - live entertainment at the Globe Theatre to boost the evening leisure economy alongside specialist High Street and evening markets.

Wolverhampton, West Midlands - bringing the city will to life with modern day town criers and on-street performers and a 'dragon's den' style competition to support local entrepreneurs.

### **2.4 The Right to Retail: Can Localism save Britain's small retailers**

2.4.1 In 2011, ResPublica published its report "Right to Retail." The report considered the problems faced by high streets. It referred to vacancy rates are rising, the superstores are growing their market share, customers have less money to spend and the cost of regulation is rising. The report details changes to the retail economy, highlighting the power shifts from independent retailers. It reports that the number of larger stores located out of town increased from just under 300 in 1980 to more than 700 by 1990 and just under 1,500 in 2007 and over the same period the number of specialist grocery stores has declined significantly. It provided an example of the reduction of fishmongers from approximately 10,000 in the 1950's to around 2,000 in 2000. Currently over 97% of total grocery sales takes place at the 8,151 supermarkets

2.4.2 ResPublic reports that its recommendations reflect both the Government's wider commitment to local and civic empowerment and the specific commitment to receive the National Planning Policy Framework in order to make it "localist in its approach, handing power back to local communities to decide what is right for them". It goes on

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to say that its recommendations aim to make explicit that a successful localist agenda would be one which not only gave communities and individuals the power to shape to their physical environment, but also, crucially, their local economy.

### 2.4.3 Summary of local and civic recommendations :

Recommendation 1 – Allow Communities to Designate Retail Mix in Neighbourhood Plans

Recommendation 2 – A Community Right to Appeal

Recommendation 3 – Treat Shops as Local Assets

Recommendation 4 – Business Rate Reduction for Designated Retailers

Recommendation 5 – A Community Right to Buy

Recommendation 6 – A Community Right to Try

Recommendation 7: Embed Small and Medium Owners in Local Enterprise Partnerships

### 2.4.4 Summary of national recommendations:

Recommendation 8 – A community Interest Clause In Competition Law

Recommendation 9 – An Annual National Report on “buying power” and “price flexing”

### 2.4.4 Summary of recommendations for a joined up economy:

Recommendation 10 – Encourage Mutual Retail Models

Recommendation 11 – Encourage Community Run Retailers

## 2.5 Understanding High Street Performance

2.5.1 The Department for Business and Innovation and Skills published a report in December 2011 entitled “Understanding High Street Performance.” The Report looks at a number of factors impacting on the economic and social performance of town centres and High Streets. The purpose of the report was to help inform Government and local authority decision-making regarding town centres, high streets and local economic growth. It also provided input to the Portas Review.

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2.5.2 The framework of the report centered on the following areas:

**Externalities** – high streets are influenced by externalities that are generally outside user/occupier control.

**Spatial and physical factors** – high street performance is affected by factors such as the development of new residential areas or demographic changes; changes in the physical environment; accessibility related to car access and car parking and cycle/walking friendliness; amenity in terms of streetscape, public space and private/public space;

**Market forces and competition** – the development of the high street is undoubtedly affected by the emergence/presence of competitive alternatives to the high street, through a range of channels;

**Demographics** – changing demographic trends are likely to have important implications for our high streets. There are implications related to the impact of factors such as: ageing populations; transient populations such as students/immigrants; and the socio-economic catchment/level of disposable income that influence the face of high streets;

**Regulation and legislation** – a range of regulatory and legislative policy initiatives have impacted on high streets including planning policy and licensing legislation and the introduction of financial incentives;

**Management** - the management of high streets has the potential to affect change and can contribute to the differential impact of certain factors or events.

2.5.4 The study defined high street for its purposes as:

high streets in multi-dimensional town centres serving primarily sub-regional markets and driven by catchment and geography. These offer functions such as the provision of labour, a location for business, and an environmental asset;

high streets in 'destination' town centres, where the driver of use can be considered to be a specialist appeal or a particular product and where retail and service provision predominates over the functional roles;

service centre high streets in suburban districts that are serving more localised residential catchments.

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### **2.6 West Northamptonshire Joint Core Strategy – Pre submission February 2011**

2.6.1 The West Northamptonshire Joint Core Strategy is currently being reviewed and a new version will be published for representation in August 2012.

2.6.2 As soon as this document is available a precis of the salient points will be provided to the Panel.

### **2.7 Sustainable Community Strategy for Northampton 2008 – 2011**

2.7.1 The Sustainable Community Strategy for Northampton covers to the period 2008-2011. It is reported that it outlines the vision up to 2031 and how it will be aimed to achieve this. The Strategy will be refreshed periodically to reflect changes and progress. The Plan focuses on activity that will take place during the first phase of the vision, up to 2011.

2.7.2 Given that the Plan focuses up to 2011, when a refreshed document is published, a precis of the salient points will be provided to the Panel.

### **2.8 Northampton BID – E-Newsletter**

2.8.1 Attached at Appendix A is a copy of the latest E-newsletter published by Northampton BID for the Panel's information.

## **3 Conclusions**

3.1 That the information detailed above informs the evidence base of the Scrutiny Panel's Review.

3.2 That a summary of the updated documents referred to in paragraphs 2.6 and 2.7 above be provided to the Panel when available.