

BRIGHTON & HOVE CITY COUNCIL

SCRUTINY PANEL ON SUPPORT FOR THE RETAIL SECTOR

6.00pm 1 MARCH 2012

JUBILEE LIBRARY JUBILEE STREET BRIGHTON BN1 1GE. TEL: 01273 - 290800

MINUTES

Present: Councillor Mitchell (Chair)

Also in attendance: Councillor MacCafferty and C Theobald

PART ONE

5. PROCEDURAL BUSINESS

- 5.1 There were no declarations of interest or declarations of party whip.
- 5.2 RESOLVED; that the press and public be not excluded from the meeting.

6. CHAIRS COMMUNICATIONS

- 6.1 The Chair welcomed everyone to the second Scrutiny Panel public meeting on 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.

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

- 6.2 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?

- 6.3 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.

6.4 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 body for approval.

7. WITNESSES

7.1 John Kean – owner of the Guarana Company, Sydney Street, North Laine Brighton introduced the following information to the Panel:

1. He had been the owner of the Guarama Company for 13 years. The business started of as a wholesaler for Brazilian herbal and natural products. The business evolved to Camden & Portobello Road markets and onto London and UK Festivals. The owner was lucky enough to acquire a freehold property in Sydney Street. The store opened in the October 1999. He felt that the selection of products could add to the vibrancy of the city culture.
2. The following evidence was heard in line with the Panel’s objectives:
How could the B&H retail offer be supported and the impact of high inflation and the economic downturn be mitigated?
 - Shopping habits had changed and this could be seen with the increase in internet sales and the growth of companies like Amazon.com
 - It was also noticeable how supermarkets and chains eg. Subway, KFC, McDonalds, coffee chains had too many sites and had taken away the uniqueness that Brighton once had.
 - It was important to notes that the North Laine area must maintain its uniqueness and it was detrimental to the area the number of properties in that area. If every year these chains increased their footage by 5%, in 10 years they would own 50% of the space. If this continued Brighton would become too corporate looking.
 - There were also too many convenient stores in the area.
 - Business rates were a factor that affected cash flow. Other costs included A-boards licence, outdoor licence for tables and chairs, recycling etc...It was expensive to run a business.
 - The freehold repayments on the property were lower than paying rent to a landlord. There had been a need to re-mortgage the house on occasions to maintain the business.
 - Brighton had a diverse community who wanted different alternatives and niche products.
 - A *Time Out* christmas publication had highlighted Brighton as an ideal christmas gifts shopping destination due to it’s unique independent retailers.
3. The other factor was parking charges as visitors into the city were penalised by the high charges. Some people visiting the Theatre on New Road would spend more money on parking than on their theatre tickets. Although it was understood that parking needed to be controlled some parking wardens were seen to be overzealous. Families would find the price of train fares too expensive.
4. *How could independents and multiples work in partnership to ensure work towards the viability of the city?* It was doubtful that the two could work together

as they were in competition with one another. The shopping centre offered subsidised parking and a more favourable environment to shoppers when it was wet and windy. However not all consumers favoured shopping centres. The whole point of shopping centres was to take business away from independent trading zones.

5. *What effective marketing and promotion would benefit the city's retail sector?*
 - Make parking cheaper for locals, visitors and traders. Traders currently paid £10 a day which worked out £70 a week (when you worked 7 days) and £280 per month. This was straight out of the businesses profits.
 - The use of electric solar powered noticeboards in Jubilee Square could be used to promote events such as Hove Lawns, the Komedia, niche events especially during the festival.
 - At Brighton Station - offer leaflets/maps out which promoted shopping areas such as Kemptown, North and South Laine.
 - Events are under populated and difficult to get to so the marketing of these events was crucial.
 - Improve communication with the Council and retailers by having "retail carers". In the 13 years the business had been in operation, there has been no interaction from the Council.
 - Market Brighton in the national newspapers and radio.

6. *How could retailers, landlords, prospective developers and agents develop the city's retail sector?* It was felt that the odds were stacked up against businesses and with the opening and folding of retail businesses it was uncertain how this partnership would work together. Everyone had the agenda to make more money.

7. *How could regulations and advice be utilised and accessed by retailers?* The best way was through face to face contact eg. "Retail carers" or retail officers, from the Council.

8. *How could street markets have a positive impact on retailers?* The business evolved by trading in markets. New Road had good themed markets. Markets were weather dependent and would only take away a limited amount from traders as they were a diluted retail offer. Brighton was full of creative people who didn't know how to start up businesses and markets were an ideal place to trial out a new business.

Retailers did not want street markets in front of their properties.

Buildings like the Ocean Room club on Morley Street, Brighton would have been an ideal place to start up 20/30 concessions or other large empty buildings.

7.2 Questions raised included:

1. Was Sydney Street pedestrianised? Members were told that all vehicular access was prohibited at weekends. Traders brought there stock out onto the street which had a positive impact for both traders and customers.

The Panel noted that Sydney Street was part of the BID but voted against it when it came to the renewal of the BID. Businesses did not feel it was value for money and it was an additional tax. The trader was not part of the NLTA as he felt its functionality and purpose had decreased, there were some strong members but they did not represent everyone. The NL Community Association was not very effective and useful in it's purpose.

2. Was there value in joining an association? Members were told how there was strength in numbers in that associations could be powerful in procuring contracts eg. waste. Sydney Street successfully worked together to organise their own christmas decorations last year. The Association needed to be rebranded.
3. Was Sydney Street virtually pedestrianised? There were signs prohibiting cars at certain times of the day, but the road did need policing urgently as it was now a rat run. Less than 1% drive down for business in the street.

7.3 The Chair thanked the John Kean for his time and input into this scrutiny inquiry.

7.4 Soozie Campbell the former City Centre Manager presented the following information to the Panel:

1. News from Vince Cable was that economic growth would need to come from the private sector. To encourage this growth support was needed for the city's most successful sectors. In Brighton this would include tourism and retail, as these were both interlinked. Right now independents were weathering the recession better than multiples. Brighton had lower vacancy rates to other cities, but this would increase as multiples were losing more sites.
2. In relation to the Panel's objectives. How could Brighton and Hove's retail offer be supported and the impact of inflation and the economic downturn be mitigated? The Panel were informed that what retailers needed were shoppers with money to spend. The City was going against experts and the rest of the country by increasing the cost of parking to shoppers, withdrawing funding from the city centre initiative and making it prohibitive for volunteer organisations to operate street markets and other free events. The Council charged for these events, which meant that event organisers would have to limit resources which could compromise the event.

The items mentioned were all things that Mary Portas identified in her report as being vital to the regeneration of town centres.

An increase to Council tax would not have been helpful. The decision had taken a u-turn and would help retailers.

There should be more support for initiatives like the:

- Festival for shopping, the Food festival and home grown arts festivals
- Reduction in parking charges, not increases or the provisions for alternatives like park and ride
- City centre management

- Reduction or the abolition of fees for the use of New Road or the Pavilion Gardens for events run by volunteers
3. How could independents and multiples work in partnership to sustain the viability of the retail sector? Members were told there were good examples of multiples supporting independents. For instance the BID where by multiples eg. Boots paid as much as £7k whilst independents paid £300-£400 a year to the BID. The BID was an example of retailers working collaboratively. Multiples recognised that independents were an important shopping attraction to the city and increased footfall due to their unique offer.
 4. What effective marketing and promotion would benefit the city's retail sector? The Panel were informed that the main promotional website- VisitBrighton was predominantly funded by hotels and the major attractions. The website focused it's efforts on promoting the paymasters to pay it's way. The Council's Tourism department needed to be restructured so it did not behave like a commercial operator. It should not favour the larger players and should not compete with local media and marketing operators in the way it currently does. The BID did not have a budget for marketing so retailers were not promoted through them either.
 5. How could retailers, landlords, prospective buyers and agents develop the retail sector? Members were told that the future of town centres would be more about the experience than about buying. The city needed to think about creating an exciting environment that would draw people in. The christmas lights and events did this to an extent. The future holds many more opportunities. Work was being developed on new media initiatives around exploring Brighton through smart phones. This would promote the city, through the use of GPS mapping and would put Brighton at the top of one of the shopping destinations. More information would be available on completion of the project.
 6. How could regulations and advice regarding retailers be utilised and accessed? The Panel were informed that the town centre management initiative was set up primarily to act as the conduit between retailers and local government and to lobby for changes to improve the local environment. The initiative was a success, however funding for the Business Forum was cut back by the Council leaving the Brighton Crime Reduction Partnership (which rented out security radios to retailers and provided training) and the BID to run their own schemes. The Business Forum continued to publish weekly news through brightonbusiness.co.uk. Sussex enterprise was also a good source of information on business support. Retailers should utilise these sources of information. The Business Forum had limited funding and therefore it was uncertain as to how long this would stay open for.
 7. How could street markets have a positive impact on retailers? Members were informed that the Portas review reported that street markets were a good thing for town centres as they drew in a regular weekly crowd. Markets brought atmosphere into towns and also people would stay longer and have lunch, coffee or a drink whilst they were in town.

8. The Food Festival on New Road brought in 40k people into the city over the weekend. The Council charges the festival £1600 for the use of its land, even though the festival was raising the profile of food businesses in this city. The 12 volunteers had to work even harder to cover costs eg. stalls, marquees, generators, brochures, PR, advertising etc...Paradoxically this seemed to be the wrong way round as the Council should be paying the food festival. The food festival was a successful market. There were some markets that didn't work so well in the city and these were the George Street and the French markets.
9. The Council were looking to support 6k jobs in the city by 2014. The tourism sector was a key base employer and should play an important part in this plan. It was important that the Council took on board the ideas from this inquiry and made some changes.

7.5 Questions raised included:

1. How could you make the North Laine more accessible to the public from Brighton station? Members were informed that the exit out of the station directed visitors straight to the beach. To access the North Laine people would need to be directed under the station, this was tricky as it was a steep hill leading to the area. There used to be a set of stairs from the station which brought people straight into Trafalgar Street (to the entrance of the Toy Museum) but this had been closed off permanently due to people using it for other purposes.
2. With the decreasing of budgets could a Town Centre initiative be drawn up by the Business Forum or the Brighton & Hove Economic Partnership? Tony Mernagh the Chief Executive of the Forum who was also the Executive Director of the Partnership was trying to get permission to raise funding from on-street promotions. The Forum was involved with various ventures from selling land, procuring telephone and energy deals for businesses to liaising with property agents. The BID did not deal with town centre initiatives, its priorities were security and dressing the city.
3. How could tourism be supported further with limited funds available? It was important for the city to invest in tourism and other related sources. It wasn't necessary to have qualified people to open up tourism and there needed to be diversity in what was offered to the public. It was reported that there was a drop in footfall in 2008. The BID did not work on promoting the city. The Food festival in April would bring people into the city, however the city needed to keep offering events in order to increase its footfall.
4. How could the retail sector be resilient during this period of economic downturn? The Panel were told that the city needed a robust infrastructure and be able to reinvent itself and change retail accordingly. There were opportunities for small businesses that wanted to start up to create a cooperative in one site, to have a café and someone to manage the business side. This project included funding of £40k to support the start up 40 businesses and to ensure that mentoring was available. The hardest period was after the first 6 months and maintaining their cash flow.

7.6 The Chair thanked Soozie for her input and time into the Scrutiny inquiry.

7.7 Martin Randall – Head of Planning & Public Protection for Brighton & Hove City Council presented the following information with Jeanette Walsh – Head of Development Control and Tim Nichols – Head of Regulatory Services:

1. A handout included the following information about Planning, Licensing and Health & Safety:
 - “Supermarkets have been locating in town centres – no requirement for planning permission to occupy existing shops....”
 - “The Town and Country Planning (Use Classes) Order does not distinguish between the many different types of A1 shops and takes no account of their ownership or leasing arrangements. “
 - It “does not control the mix of A1 shop units nor the balance between independent shops and multiple stores.”
2. The Head of Planning and Public Protection highlighted how vital it is that regulatory services offer support to retailers. He drew the Panel’s attention to the supposition from some quarters that part of the “answer” for small retailers might be “additional regulation” such as the addition of specific use classes for coffee shops or multiples. This contrasted with the view of others, notably the Portas Review which prescribed looser controls. The Head of Planning and Public Protection indicated that the city Council’s focus was firmly directed toward making regulations work for business.
3. The Head of Planning & Public Protection was involved with the Street Ahead event in 2011. His principle aim at this meeting was to talk about which regulation activities supported retailers. Regulation was not the answer to support independent retailers. There were limitations within the Town Use Classes Order in the prevention of multiples taking over premises. It was useful when there was the introduction of coffee shops making high streets more distinguished. More regulation was needed for the promotion of former shops into creative industries as currently this was a problem.
4. With the introduction of the Localism Agenda, neighbourhoods could be responsible for planning their areas and would need to determine what was important eg. maintaining the character of the area. Neighbourhood plans would need to be linked into the City Plan.
5. The Head of Development Control was responsible for the delivery of operational matters with Planning. The service offered free advice and worked as flexibly as possible to apply the Policy.
6. Changes between different types of uses of buildings normally required planning permission which helped protect the character of an area. Multiples requesting to take over an empty property cannot be rejected by the Council. In some cases where this had happened, multiples with strong legal representation had taken applications to appeal and had won. The planning service has to remain neutral when applications are made and look at the use rather than the credential of the retailer eg. Starbucks in Kemptown

7. The Head of Regulatory Services is responsible for Food Safety, health and safety, licensing, environmental protection and Trading Standards and delivering regulatory services. Regulatory policy and delivery affect the economy. Most regulation is set under European Law. Poor regulatory delivery can hinder business so Council enforcement policy is based on principles of proportionality, accountability, targeting non-compliance, transparency and consistency.
8. Key improvements were that the service culture is grounded in professional judgement with businesses rather than a tick box role. Compliance with the new national Food Hygiene Rating Scheme is an illustration of a compliance chain to improve public health standards. "Safe food, better business" is an example of regulatory co-operation to support business. The city had run its own scheme called "Scores on the Doors". The purpose of the national scheme was to help the public choose where to eat out or shop for food by giving them information about the hygiene standards of food premises. The overall aim was to reduce the number of cases of food poisoning and provide a consistent national scheme. The service educated businesses by providing them with training pack and regulated businesses through record keeping. Businesses were advised of changes through a Newsletter. Businesses could also rate the authority on the service and information received by customer surveys.
9. When street trading policy was reviewed in 2008, New Road, Jubilee Street and Black Lion Street were designated consent streets to allow themed markets. Street markets- New Road held seasonal markets and Upper Gardner Street had a weekly Saturday market. In the past Bartholomew Square failed as a farmers' market. The Council cannot restrict the type of goods within any market. Previously the Council heard complaints from local retailers about markets at George Street, Hove. George Street had hosted a monthly farmers market since 2000. It struggled, but in 2011 new organisers improved its performance by running it weekly. The variety of goods increased. George Street businesses complained and the market is now running at a reduced level, monthly. The bulk of the markets stall fees covered trading enforcement eg. A charge for a stall at the Farmers market is £252 p.a. or £34 per stall per occasion. There were two regulatory zones for markets:
 - Zone A for static stalls
 - Zone B for mobile location non-specific stalls.

7.8 Questions raised included:

1. Whether there were any new laws to help enforce the type of street stalls within a market? The Panel were told about a new directive from Europe which was around free movement and for local authorities not to intervene. Successful Farmers Markets worked when they are part of a circuit of cities eg. Chichester, Portsmouth etc...Brighton & Hove were not part of this circuit.
2. What flexibility was there for the protection of individual retail frontages of a parade of empty shops? The Panel were informed that the Use Classes Order was there to protect the high street by having a proportion of properties that were A1- A5. This was there to protect all retailers giving a good mixture of restaurants, cafes, pubs, banks, shops etc... It meant that vacant properties could not swap their class which protected the high street from having one type of

use. The Localism Bill would give Council's the flexibility they needed to change areas according to their needs/ uses enabling Council's to promote the character of different shopping areas.

3. What was valuable about neighbourhood plans? The Panel were told how this promoted partnership working and it would be uncertain how the neighbourhood plans would work with the Local Plan.

7.9 The Chair thanked all 3 officers for their input and time into the Scrutiny inquiry.

8. ANY OTHER BUSINESS

- 8.1 The last public meeting was on Tuesday, 6 March at 4.30pm at Hove Town Hall, Committee Room 3.

The meeting concluded at 7.30pm

Signed

Chair

Dated this

day of