

## Enterprise and Business Committee

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Lleoliad:  
**Committee Room 1 – Senedd**

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Dyddiad:  
**6 October 2011**

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Amser:  
**09:30**

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Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales



I gael rhagor o wybodaeth, cysylltwch â:

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### Agenda

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#### **1. Introductions, apologies and substitutions**

#### **2. Inquiry into the Regeneration of Town Centres : Evidence Session (9:30 – 10:15)** (Pages 1 – 32)

Martin Blackwell, Chief Executive – Association of Town Centre Management

#### **3. Inquiry into the Regeneration of Town Centres : Evidence Session (10:15 – 11:00)** (Pages 33 – 42)

Russell Greenslade, Chief Executive – Swansea Business Improvement District

#### **4. Inquiry into the Regeneration of Town Centres : Evidence Session (11:00 – 11:45)** (Pages 43 – 53)

Sian Wilton, Boots Wales  
Andrew Godfrey, Boots

# Agenda Item 2

Evidence from the Association of Town Centre Management

## Welsh Town Centre Regeneration Inquiry Association of Town Centre Management and UK BIDs Submission

September 2011



# Executive Summary

ATCM and UK BID's strongly support this inquiry into town centre regeneration by the Welsh Government. This inquiry is timely, with many of our town centres continuing to feel the lingering effects of the recession and reduced public sector funding.

## **The Multi-Dimensional Nature of the 21st Century Town Centre**

The 21st century town centre comes in all shapes and sizes, serves multiple purposes and is home to many sectors. They include:

- Retail
- Public Services
- Arts, Culture and Inspiring Public Space
- Accessibility through a Variety of Modes of Transport
- Café Culture
- From Community Cohesion to Commercial Cohesion
- Office-based Businesses
- Tourism, Hospitality and Leisure
- Educational Institutions
- Town Centre Living
- Cutting the Carbon Footprint

## **Factors affecting the Success of Town Centre Regeneration**

### ***1. The Need for Strong Partnership and Professional Management in the Town Centre***

We recommend that high streets and town centres in Wales become the beneficiaries of adequately resourced partnerships and professional management which have strong business involvement, support and participation from all levels of government and significant buy-in from all other stakeholders.

### ***2. Coordinating the Policy-Making of the Welsh Government***

We call for the Welsh Government to undertake feasible measures to better co-ordinate policy-making across departments and ministerial responsibilities. Specifically, one or more of the following:

- the creation of town centre focused impact assessments of new policies;
- the creation of a relevant All Party Parliamentary Group;
- the formation of a cross-departmental working group of senior civil servants;
- a ministerial level committee for town centres; and/or
- the appointment of a minister for town centre.

### ***3. A National Strategy for Planning, Data Collection and Dissemination***

ATCM Wales recommends that there is a national strategy to ensure council's with responsibility for planning have the skills and resources to develop excellent strategic plans which feed into the plans of other tiers of government. This includes publishing important national datasets where possible and offering a geographical breakdown for comparative research.

#### **4. Empowerment through Democratic Planning for the Town Centre**

ATCM Wales recommends:

Local authorities facilitate the development of strategic plans for town centres and wider areas ensuring economic development is plan-led and driven by a publicly accountable body.

The formation of these plans must have significant input from town centre partnerships, businesses and the community, preferably with planners engaging with town centre partnerships.

#### **5. Competing with the Out-of-Town Centre (and the Internet)**

ATCM Wales recommends that there is a commitment to a 'town centres first' policy ensuring town centre investment and usage is encouraged through better equality between the town centre and the out-of-town centre. This means working with government to ensure there is better parity with regards to:

- Accessibility via private transport
- The rates system

#### **6. Link Local Government Revenue to Sustainable Economic Development**

We recommend the Welsh Government establishes a link between local government revenue and sustainable economic development to encourage continuing re-investment in our town centres.

#### **7. Recognition of the Importance of the Night-time Economy**

We recommend that the Welsh Government plan for the night-time economy as a tool for economic growth and as an additional dimension to the 21st Century town centre. Policies must encourage, and not deter, the formation of night-time partnerships and initiatives such as Purple Flag, Best Bar None, Community Alcohol Partnerships and night-time specific BIDs.

### **8. Protecting Public Services, Public Property and the Public Realm in Town Centres**

ATCM Wales recommends that local government, where possible, invests in the town centre, retains public services in the centre and invests in the public realm.

### **9. Creating a Culture where Small Business can thrive**

We call on the Welsh Government to promote a culture where small business can thrive. Specifically:

- a national effort to understand the needs of small businesses in a rapidly changing economy;
- face-to-face assistance for small businesses on issues such as understanding rents, rates and other important local issues through a trusted mediator; and
- ensuring adequate business support is available, easily accessible and capable of equipping owners, managers and staff with the necessary skills they need to survive and thrive.

### **10. The Importance of Working Together for Crime Reduction**

ATCM Wales recommends that the Welsh Government must support the creation of anti-social and crime reduction partnerships for the town centre and encourage their integration with wider partnerships and strategies for neighbourhood crime reduction.

# Introduction

## About ATCM and UK BIDs

ATCM and UK BIDs strongly support this inquiry into town centre regeneration by the Welsh Government. This inquiry is timely, with many of our town centres continuing to feel the lingering effects of the recession and reduced public sector funding.

This inquiry is important to us because ATCM is a not-for-profit membership organisation dedicated to promoting the vitality and viability of town and city centres. It has more than 540 members including key stakeholders in town and city centres across the UK, who develop and implement shared visions, strategies and action plans for a total of more than 700 district, town and city centres throughout the UK.

ATCM Wales Regional Branch includes town centre initiatives in, or covering, many locations including:

- Aberystwyth
- Bargoed
- Blackwood
- Bridgend
- Caerphilly
- Cardiff
- Colwyn Bay
- Ebbw Vale
- Llanelli
- Merthyr Tydfil
- Neath
- Newport
- Pontypool
- Pontypridd
- Risca
- Swansea
- Wrexham

## **Why Support the Town Centre?**

Town and city centres across Wales are at the heart of our communities; they form a key economic driver and make a significant contribution to achieving and sustaining a successful Welsh economy. For visitors they are a key image of Wales and form a lasting impression of the country. The buildings that make up towns and cities define communities by their architecture, history and use. They are a way of connecting the present generation with its historical past and also help to shape the future. Towns and cities invoke strong emotions within people, feelings of pride, belonging and promoting a sense of identity. Ultimately, these are the places that the people of Wales call home. However, they are under pressure and urgently need action and professional management in order to survive.

## **The Multi-Dimensional Nature of the 21st Century Town Centre**

To deliver a comprehensive and effective plan of action to revitalise town centres, the Welsh Government must first understand its dynamism and multi-faceted nature. The 21st century town centre is a place of multiple sectors, industries and stakeholders coming together which can no longer be defined narrowly as just retail hubs. The high street is still critical to the town centre but it anchors and is anchored by a network of activities and communities. Only by understanding the symbiotic relationships within this network can we ensure the high street remains the natural home of retail.

The town centre supports, and is supported by, the following functions and activities:

### **Retail**

The retail sector is an engine room for private sector employment in Wales providing work for 10% of the population<sup>1</sup>. The sector generates 10% of the Gross Domestic Product of Wales compared with 7% for the UK as a whole. There are 8,965 retail businesses in Wales operating from 13,670 premises. Approximately 12% of business establishments in Wales are retail, accounting for 5% of the UK total with Cardiff the 6th most important retail destination. Furthermore, the high street is the natural home for many of our invaluable smaller retail businesses, such as markets, who provide the grassroots for innovation and creativity across the sector providing consumers with diversity and choice.

### **Public Services**

Town centres are the political centres for communities and the focal point for many public services. They are at the heart of the public sphere providing physical access to everything from libraries to local democracy.

### **Arts, Culture and Inspiring Public Space**

Art works, cultural events and our most jaw-dropping architecture and public space tend to be located where people can access and enjoy them. For years, our town centres have benefited from the colour and creativity of talented individuals who have inspired the nation.

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1 British Retail Consortium (2011) Manifesto for Welsh Retail @ [http://www.brc.org.uk/brc\\_news\\_detail.asp?id=1939](http://www.brc.org.uk/brc_news_detail.asp?id=1939)

### ***Accessibility through a Variety of Modes of Transport***

Town centres have a large amount of investment in transport infrastructure and act as a hub for public transport, which not only provides consumers and commuters with a choice of modes to travel, but also enables them to combine several different purposes in a single trip.

### ***Café Culture***

The intelligent use of alfresco dining and café culture have quickly become a mainstay in many of our town centres since being introduced from the continent. Town centres have become almost unique for enjoying time outside during summer evenings for visitors, tourists and workers alike.

### ***From Community Cohesion to Commercial Cohesion***

Whether its communities coming together, achieving remarkable feats through social interaction, or businesses working together to make their trading environment a more vibrant place to visit, the town centre has proved to be a place of partnership, allowing different elements of society to gel. The town centre is the venue where the Big Society happens, and has been happening for years.

### ***Office-based Businesses***

Behind the hustle and bustle of the consumer facing industries, it is often forgotten that the town centre is the choice location for many office-based businesses because of the accessibility for the workforce and capacity to network with other neighbouring businesses. From the creative and digital industries to the financial sector - the town centre is where creating, trading and networking takes place.

### ***Tourism, Hospitality and Leisure***

Hotels, restaurants, leisure centres, pubs and clubs all add to the town centre offer in very different ways. Ultimately, they allow us to capture the spend of visitors who have come to enjoy the natural beauty Wales has to offer.

### ***Educational Institutions***

Many higher and further educational institutions play an important role by being based within town and city centres because of their accessibility for students and tutors. This provides an additional dynamic to the town centre, acting as an anchor to the knowledge economy.

### ***Town Centre Living***

Not only does the town centre serve the needs of the surrounding population, it can often act as the home for a more local population. A town centre which is able to mix other spatial uses with residential space, will find itself engaged with town centre users, 24 hours a day offering a place of employment, a place to shop, a place to eat and a place to drink whilst reducing pressure on the transport network by cutting the need to travel.

### ***Cutting the Carbon Footprint***

The town centre provides a number of opportunities for curbing our dependence on oil. By providing a critical mass of activity, successful town centres make existing public transport links viable. Town centre living, reduces the need for travel all together, plus other unexplored initiatives mean the town centre is an important piece in the jigsaw to fighting climate change and lessening our wider impact on the environment. By targeting investment back into town centres we reduce the need for 'urban sprawl' which has done much to erode our natural environment.

*Subsequently, protecting and promoting the town centre is essential for the health of each of these functions and activities. Part of this challenge is getting the right mix of uses dependent on locations is essential. The planning system must both retain main town centre uses in the town centre while being flexible enough allow what is defined as a main town centre use to evolve as times change.*

# Factors affecting the Success of Town Centre Regeneration

## **The Need for Strong Partnership and Professional Management in the Town Centre**

The success of a town centre is influenced by multiple agencies and stakeholders. Everything from street cleaning to create an attractive environment to inclusive strategic planning is dependent on high levels of cooperation. A town centre's ability to host large scale cultural events, create loyalty schemes for shoppers or respond quickly to crime is all reliant on good management and good partnership. This is something which many in-town and out-of-town shopping centres already benefit from.

The need for professional management was graphically demonstrated during the 1980s and early 90s by the decline experienced by many of our high streets when faced with out-of-town development and the lack of a concerted response. The UK Government's commitment to a 'town centres first' planning policy was supported by its recommendation that the private sector, property owners, infrastructure agencies, the community and the local government should develop centre management initiatives. We are facing a similar crisis now.

**We recommend that high streets and town centres in Wales become the beneficiaries of adequately resourced partnerships and professional management which have strong business involvement, support and participation from all levels of government and significant buy-in from all other stakeholders.**

The type of strong partnerships at local and national levels that can assist town centre regeneration might include:

- Local government;
- Retailers;
- Shopping centre managers;
- Landowners;

- Employers;
- Chambers of commerce;
- Transport operators;
- The leisure and hospitality sector;
- The media;
- Police;
- Residents;
- Charities;
- Community groups;
- Local Enterprise Partnerships; and
- Other working groups.

For these partnerships to meet the needs of multiple stakeholders, they must be democratic and inclusive. Their success is dependent upon a shared effort at all levels. We see the Welsh Government playing a role through promoting, supporting, encouraging and facilitating partnerships and professional management. In the town centre itself we see private, public and voluntary sectors coming together to lead management schemes, identifying appropriate funding mechanisms that suit the local context. Ultimately, these funding mechanisms must deliver a return on investment those who financially support the town centre.

### **Funding Town Centre Regeneration**

In terms of finding the right mechanisms for ensuring adequately resourced town centre regeneration schemes can take place, ATCM Wales recommends that Scotland bears a better resemblance to Wales than anywhere else in the UK and allows us to learn and build upon lessons learnt there. There are two aspects which we would like to draw to the attention of Welsh Government:

- > BID development in Scotland
- > Town Centre Regeneration Fund

BIDS: Scotland has seen a much quicker rate of growth in terms of BIDs in comparison to Wales. This may be because the necessary infrastructure required to support BIDs exists. BIDs across the UK have generated in excess of £250 million in private sector funding. It is a sign that, even when times are difficult, the private sector is willing to invest in regeneration if the correct mechanisms are available, if businesses are able to lead on, and dictate the terms of this regeneration, and if there is support from the private sector.

Through the town centre regeneration inquiry, Wales has the opportunity to develop a more innovative approach to the creation of BIDs and become part of its evolution. Because of the Local Government Resource Review undertaken by the UK Government, the town centre management industry is beginning to explore ways in which the collection of business rates can be re-appropriated in a way that would trigger sustainable, long-term private sector investment in town centres. We are beginning to develop ideas that allow for the initial process of putting a BID prospective together through a reinvestment of local government revenue which will generate funding in the longer-term. We believe the Welsh Government has the opportunity to lead on this exploration.

**Scottish Town Centre Regeneration Fund:** The town centre regeneration fund is an initiative which was introduced in Scotland at the outset of the recession. The Scottish Government provided £60 million in funding to various innovative projects to substantial increase the attraction of the high street. This has certainly been a step in the right direction for Scotland. The next step is to find a way to make this fund long-term and sustainable. We feel that this inquiry puts the Welsh Government in a position where it can lead on this process.

The issue will be to find ways in which to raise revenue for the Welsh Government to ensure that a fund can be created to invest in our town centres which is fiscally neutral. ATCM is currently exploring the rates system as it has been brought to our attention that out-of-town developments in parts of the UK benefit from certain rates exemptions which town centres do not. It appears, for example, that out-of-town car parks are not charged rates so long as they remain free for consumer use. As these locations will compete with the town centre it appears that we have financial incentives the wrong way round and should consider raising revenue through rates on out-of-town and invest that money on town centre regeneration schemes (e.g. a BIDs support fund/public realm/modern leisure facilities/small business support etc.)

**Business Improvement Districts (BIDs)** may provide part of this function. ATCM would welcome efforts to strengthen, support and build on the existing BIDs experience. Though BIDs can operate in many commercial areas, town and city centre management initiatives have been at the forefront in developing BID proposals. The key difference from existing funding approaches is that once a majority of businesses within an area vote in favour of a BID, all businesses in the area are committed to contribute throughout the life of the BID, a maximum of five years. BIDs will enable many town and city centre management initiatives to deliver on their action plans more quickly and with more certainty.

However, BIDs are not a replacement for a town or city centre partnership, which will have a broader and more strategic remit, rather than the narrow demands of levy payers. The two can and should exist side by side. Furthermore, BIDs will not be appropriate for every town centre in Wales. The specific size and dynamics of each location has to be taken into account.

## Case Study: How the Heads of Valley Initiative Funded Town Centre Management

The Welsh Government's Heads of the Valleys Initiative (HOV) which comprises of 5 local authorities (Rhondda Cynon Taff, Merthyr, Blaenau Gwent, Merthyr, Caerphilly and Torfaen) supported and funded town centre managers and town centre management initiatives. Each of the 5 local authorities received approximately £40k per financial year for 3 years which financed and supported the following activities:

1. Funded the Town Centre Managers in Merthyr and Blaenau Gwent
2. Funded a part time events officer in Caerphilly
3. Funded a Business Mentoring Programme in 2 towns in Rhondda Cynon Taff
4. Funded Footfall Counters for the key towns in the HOV area
5. Funded Marketing Research reports for the key towns in the HOV area
6. Funded a website for the town of Treorchy in Rhondda Cynon Taff
7. Funded a study to assess the potential for establishing a BID in Merthyr
8. Funded a programme of events in Rhondda Cynon Taff

The funding has established close working partnerships amongst the Town Centre Managers of the 5 local authorities and subsequently strengthened ATCM Wales. Unfortunately, due to budget constraints this funding has been cutback. However, it is a good example of what is possible when adequate resources are made available for town centre management. Where possible we would like to see all of Wales' town centres benefitting from future support.

## **Coordinating the Policy-Making of the Welsh Government**

The town centre is a neutral, shared community and commercial space – one of significant economic, social and environmental value. Despite positive overtones towards the town centre from different UK Government administrations since the 90s, many policies emanating from across Whitehall have unintentionally hampered the town centre's ability to be viable. Different government departments will have different and occasionally competing objectives. Many of the resulting policies will impact town centres which are home to so much commercial and community activity. However, many areas of Whitehall have not been aware of how their policies affect unique places like the high street. The work of departments and ministers requires excellent coordination to ensure the lip service paid by the Government can be realised at a local level. The departments within the Welsh Government which may impact on the success of town centre regeneration includes:

Business, Enterprise, Technology and Science;  
Local Government and Communities;  
People, Places & Corporate Services;  
Sustainable Futures; and  
Strategic Planning, Finance and Performance.

**We call for the Welsh Government to undertake feasible measures to better co-ordinate policy-making across departments and ministerial responsibilities. Specifically, one or more of the following:**

- **the creation of town centre focused impact assessments of new policies;**
- **the creation of a relevant All Party Parliamentary Group;**
- **the formation of a cross-departmental working group of senior civil servants;**
- **a ministerial level committee for town centres; and/or**
- **the appointment of a minister for town centre.**

In the same fashion in which partnership has become so critical to town centres at a local level, partnership is also critical at a national level if government is to play a successful role in supporting town centres. In the long-term the ad hoc, disjointed policy-making of the UK Government which has undermined the town centre must be avoided by the Welsh Government.

## **A National Strategy for Planning, Data Collection and Dissemination**

The development of a strong evidence base gives local authorities the capacity to develop assessments of the local economy which help improve strategic plans and drive well informed decision-making which can only benefit town centres and wider economic development. This is critical for growth.

For example, we know from anecdotal knowledge that many out-of-town developments have had a corrosive effect on our town centres. We also know that not all out-of-town development is necessarily negative. So how can local planners make well informed judgements on the type and scale of development that will promote genuine growth and not just displace trade from one location to another? We are not even completely sure about the extent of the economic, social and environmental damage caused by inappropriate developments that have hurt the town centre. There have been surprisingly few independent studies that have monitored trends in town centres before, during and after the creation of out-of-town centres so a good assessment can be made regarding the long-term impact, both in Wales and across the UK. At best we only have snapshots of data which suggest, but do not ultimately prove, a bleak picture where trade is displaced, making long-term economic growth through out-of-town development negligible.

Having good data also informs us of how the dynamics of a region are evolving and therefore what type of investment opportunities our town centre must exploit to remain relevant. However, there are factors affecting local authorities capacity for obtaining and using good data in Wales and across the UK.

- It is not enough for local authorities to collect data locally. Useful data will be comparable to other datasets across Wales and even across the UK. This means some form of consistency in dataset collection and dissemination at a national level.
- Not all local authorities have the necessary skills or resources available make use of data to create excellent strategic plans which can lead economic development.

**ATCM Wales recommends that there is a national strategy to ensure council's with responsibility for planning have the skills and resources to develop excellent strategic plans which feed into the plans of other tiers of government. This includes publishing important national datasets where possible and offering a geographical breakdown for comparative research.**

## **Empowerment through Democratic Planning for the Town Centre**

Merging strong evidence bases with inclusive planning which benefits from the input of town centre partnerships would be a step in the right direction to ensuring good strategic plans for the town centre. It is important that all of Wales' larger town centres have a strategic plan for growth, investment and natural evolution and, where resources allow, small centres too. The needs of all stakeholders must be taken into account, a prospect which is far easier when an inclusive partnership is already in existence. Planners within local authorities must be closely aligned with town centre partnerships to ensure the needs of the town centre are appropriately represented.

### **ATCM Wales recommends:**

- **Local authorities facilitate the development of strategic plans for town centres and wider areas ensuring economic development is plan-led and driven by a publicly accountable body.**
- **The formation of these plans must have significant input from town centre partnerships, businesses and the community, preferably with planners engaging with town centre partnerships.**

## Competing with the Out-of-Town Centre (and the Internet)

Visits to town centres have declined by over 20% in the last 5 years to December 2010<sup>2</sup>. In the publication 'Ghost Town Britain II: Death on the High Street', the New Economics Foundation outlined how high street decline was driven by the growth of out-of-town shopping in 2003. Between 1986 and 1997 the number of out-of-town locations increased four-fold with an average spend of £55 compared to £34 in town centres. To compound matters, in 2009 Verdict revealed a 25% growth in Internet shopping the previous year, estimating that it will form 10% of all retail spend by 2013. Overall Internet share of UK retail has risen to 8.5% from 4.8% over the last ten years.

Despite the awareness and perceived threat of out-of-town shopping to town centres, towns and cities remain the most important location for retail spending<sup>3</sup>. 66% of total revenue in retail locations in the UK in 2010 (excluding online shopping) is attributed to town and city centres. This compares with 28% of retail revenue captured by retail parks and factory outlet centres, and 5% by out-of-town shopping centres.

When comparing out-of-town and town centre, it is important to remember that the town centre is much more diverse in its uses. Policies that favour out-of-town over the town centre do not just hurt high street retail but also other sectors.

However, we are concerned about the role of out-of-town centres. The costs of operating on the high street are increasingly prohibitive, especially for smaller businesses. Despite the town centre still being the most important commercial space for consumer facing businesses, even small reductions in footfall caused by consumers visiting out-of-town centres could make many high street businesses unviable which can trigger a downward spiral. Furthermore, the social and environmental damage caused by the erosion of the high street should not be underestimated. Those who rely on public transport find it much harder to purchase the goods they need plus the growth of the out-of-town centre at the expense of the high street encourages dependency on the car. Car parking charges in the town centre means those who would otherwise drive into the town centre to shop may decide to drive further to the out-of-town store which comes at a cost to the environment.

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2 ATCM/Springboard National High Street Index

3 Springboard's Milestone @ <http://milestoneuk.org/>

**ATCM Wales recommends that there is a commitment to a ‘town centres first’ policy ensuring town centre investment and usage is encouraged through better equality between the town centre and the out-of-town centre. This means working with government to ensure there is better parity with regards to:**

- **Accessibility via private transport**
- **The rates system**

Members feel that both car parking charges and the rates system favour the out-of-town centre at the expense of the town centre. Any efforts to revitalise the town centre must allow for a more level playing field which enables the town centre to compete fairly with other commercial destinations.

We are not arguing for universal policies as each area is different, and in some respects decision-making must be led by local authorities taking into account local dynamics. We are also not necessarily arguing for the complete abolition of car parking charges for the town centre. We are fully aware and accept the financial pressure many local authorities are under. We also accept that the abolition of charges may not attract additional shoppers as commuters may simply use all available car parking spaces. We do ask that the Welsh Government works with local authorities to find ways to encourage town centre investment through fiscal measures which can be offset by revenue from out-of-town centres, striking a fairer balance between competing destinations.

## **Link Local Government Revenue to Sustainable Economic Development**

Town centre management is not a statutory function of local authorities. In a time when local government is faced with funding cuts it can be assumed that many non-statutory services will be reduced or withdrawn completely. This means town centres, which have already been hurt by the initial impact the recession has had on retail, services, commercial property and the capacity of investors to regenerate town centres, are now facing a second blow through a reduction of public sector involvement. The Welsh Government can counter-act this by ensuring the necessary policy mechanisms are in place to ensure that local authorities are financially rewarded for delivering sustainable economic growth. 'Sustainability' is the key aspect of this economic growth as we have seen too often in the past, developments which have brought short-term growth but long-term decline.

**We recommend the Welsh Government establishes a link between local government revenue and sustainable economic development to encourage continuing re-investment in our town centres.**

## Recognition of the Importance of the Night-time Economy

As mentioned from the outset, we believe a broader understanding of the multiple uses of the town centre, and how these uses shift from day to night is essential. Shifts in consumer behaviour with regards to leisure consumption have led to an acute need for strategic planning around the night-time economy. Poor planning in terms of the mixture of leisure and hospitality businesses and the contribution of the town centre layout to dispersal strategies can fuel late-night disorder which has been exposed in the media spotlight in recent years. For example, it has been calculated that in 2008/09 alcohol misuse cost £69.9-£73.3 million<sup>4</sup> While in 2006 the annual cost of alcohol related crime and disorder to the Welsh economy was estimated to be £750 million<sup>5</sup>.

On a positive note, the contribution of the night-time economy is huge according to TBR and MAKE Associates. The NightMix Index for 2008 reveals the night-time economy contributed £66 billion across the UK and employed nearly 1.3 million people in the core night time economy<sup>6</sup>. The combined core and non-core UK Night Time Economy represents around:

- 10% of all UK employment
- 8% of all UK firms
- 6% of all UK turnover.

Therefore, we cannot underestimate both the potential and potency of the night-time economy which can be a severe drain for Wales or, with the right intervention and management, can be a significant wealth generator.

ATCM's work across the UK has shown that the right intervention and management only happens when partnerships are formed and comprehensive strategies are implemented to ensure the night-time economy is not solely focussed on the 18-24 year old market which carries problems with 'pre-loading'. With the right mix of businesses, amenities and attractions a broad range of users can be attracted to create a vibrant and safe night scene.

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4 Welsh Government (2010) Assessing the costs to the NHS associated with alcohol and obesity in Wales @ <http://wales.gov.uk/docs/caecd/research/alcoholmisuseandobesityreporten.doc>

5 National Public Health Service for Wales (2006) ALCOHOL AND HEALTH IN WALES: A MAJOR PUBLIC HEALTH ISSUE @ [http://www2.nphs.wales.nhs.uk:8080/vulnerableadultsdocs.nsf/\(\\$All\)/C866F51E7F03DB32802571AA002F6081](http://www2.nphs.wales.nhs.uk:8080/vulnerableadultsdocs.nsf/($All)/C866F51E7F03DB32802571AA002F6081)

6 The figures are derived from TBR/ MAKE's definitions of core (e.g. pubs, bars, restaurants, clubs, theatres etc.) and non-core activities (e.g. accommodation, taxis, food and drink suppliers, and relevant public services). Please note that they include the whole borough, not just city centres; head offices as well as local businesses.

**We recommend that the Welsh Government plan for the night-time economy as a tool for economic growth and as an additional dimension to the 21st Century town centre. Policies must encourage, and not deter, the formation of night-time partnerships and initiatives such as Purple Flag, Best Bar None, Community Alcohol Partnerships and night-time specific BIDs.**

## Protecting Public Services, Public Property and the Public Realm in Town Centres

Town centres compete against well financed, privately owned, modern out-of-town centres fit for the contemporary consumer. Having developed organically, some of them for hundreds of years, the town centre is not purpose built for modern shopping needs and many cannot compete like-for-like with the offer of out-of-town. The town centre as a public entity also struggles with maintenance issues which can have a strong impact on its attractiveness.

Where the town centre can find a USP is through its distinctiveness. Through historical architecture, art and irreplaceable public realm it can be unique in nature and evoke a strong sense of place. The town centre is also the home for essential public services. However, not all local authorities have considered how important their role is in this respect, relocating some services out of the centre to cut costs to meet savings targets and not investing adequately in ageing property portfolios and public realm. This can impact on the following:

- Public toilets;
- Cleanliness;
- Signage and marketing;
- Safety and security; and
- Public spaces.

**ATCM recommends that local government, where possible, invests in the town centre, retains public services in the centre and invests in the public realm.**

With local authorities under so much financial pressure we accept that this is not easy. We encourage local government to work with town centre partnerships to achieve this as it is an important element to keeping the town centre at the heart of the community and will have a beneficial impact on high street businesses who rely on healthy footfall. Furthermore, well-designed public realm is a fantastic advantage which out-of-town locations cannot compete with. Poorly designed public realm, or a lack of continued investment in the public realm will not deliver a compelling offer to consumers.

## Creating a Culture where Small Business can thrive

While town centres are often the heart of communities, small businesses are the lifeblood of the town centre.

They are central to many local economies through the diversity of their offer and the footfall they can bring to the high street. For example, well managed specialist markets can provide the high street with a distinctive USP, attract visitors to the town centre and create local supply networks from which many other businesses can benefit from.

SMEs are also good for the Welsh economy bringing unquantifiable levels of innovation, employment and providing a route to business ownership for entrepreneurs.

However, this essential addition to the high street may also be the most vulnerable. Independents may not trade on particularly large margins so the squeeze of decreasing footfall and increasing operating costs will put many out of business. Many businesses will not have the resources or knowledge to deal with a complex system of rates and rents.

While the efforts of the Welsh Government in terms of extending rate relief to small businesses should be commended, historically the high rentals which SMEs are exposed to mean many have not benefited from this relief.

We call on the Welsh Government to promote a culture where small business can thrive. Specifically:

- **a national effort to understand the needs of small businesses in a rapidly changing economy;**
- **face-to-face assistance for small businesses on issues such as understanding rents, rates and other important local issues through a trusted mediator; and**
- **ensuring adequate business support is available, easily accessible and capable of equipping owners, managers and staff with the necessary skills they need to survive and thrive.**

## **BUSINESS MENTORING**

Our members consider mentoring for SMEs to be critical, especially for younger businesses. The provision of practical support, advice and guidance has proved in specific areas, to be a valuable asset and is something which should be mainstreamed if we want to support the foundation of the economy.

### **Case Study: A Business Mentoring Programme**

Undertaken in 3 town centres in Rhondda Cynon Taff County Borough Council namely Treorchy, Mountain Ash and Tonypany. Outlined below is a summary of the scheme funded by the Welsh Assembly Governments 'Heads of the Valleys' (HOV) Initiative for Treorchy Town Centre.

#### **Business Mentoring, Treorchy Summary**

- Charter Solutions signed up 27 traders to the initiative
- In order to provide them with expertise in retailing, selling, marketing and business improvement techniques

#### **1. Business Support**

1. Generating additional sales / margin from existing customers
2. Attracting new customers
3. Exploring and implementing profitable new product opportunities
4. Identifying new local markets to access
5. Identifying revenue opportunities in outlying markets
6. Exploring new revenue streams currently not utilised e.g. online opportunities

#### **2. Project Objectives**

1. To engage the local businesses of Treorchy, using the current Town Centre Forum as the catalyst for engagement
2. To provide marketing and sales support to a number of local businesses through a series of one-to-one mentoring interventions
3. To incorporate a menu of other support activities, such as telephone and online help lines, "flying angel" visits and accelerated learning interventions
4. To increase the size, profile and ambitions of the Forum
5. To generate more self-generated and managed initiatives

### **3. Feedback from traders**

The majority of the traders were very enthusiastic about the support being offered and the quality of the mentoring provided

- 94% of traders felt that the initiative was very useful
- 81% felt that it had a positive impact on their business

### **4. Comments from traders on the initiative:**

“Made us more organised, gave us promotional ideas which we have put into practice”

“Several long existing staff issues were positively addressed”

“I think the approach Charter used to identify schools in Cardiff will be a very useful template to use”

“We feel that there is a lack of business support for small independent retailers to improve their businesses and turnover. Too much emphasis is given to providing support for non-retail businesses which doesn't reflect the number of jobs created by independent retailers.”

## **The Importance of Working Together for Crime Reduction**

While the town centre is a focal point for positive commercial and community activity it also becomes a focal point for negative activity such as crime and anti-social behaviour. This has the ability to discourage investment and general usage in town centres and do irreparable damage to local economies and consumer perceptions.

High street retailers find themselves in the frontline of this fight. They rely on attractive visual merchandising which means products will be on display and exposed to the possibility of theft. The local response to crime and anti-social behaviour has in some areas been extremely positive with businesses, local authorities, communities and the police coming together to put in place strategies for prevention and apprehension. Occasionally, it is the need to reduce crime that has triggered the creation of town centre partnership that has evolved into something larger and more strategic.

However, we must warn the Welsh Government against complacency with regards to anti-social behaviour and crime on the high street which is a complaint labelled against previous UK Government administrations. Retail crime has a corrosive effect on communities by supporting and maintaining drug dependence, alcohol misuse, anti-social behaviour and violence and reducing the economic viability of businesses. People become fearful of visiting their local shops where the threat of anti-social behaviour in and around retail premises and violence and abuse can become routinely accepted by shop staff, compelled to absorb the perception of crime in retail premises as 'victimless'. Crime will cost businesses around the UK billions each year both in losses and in the cost of security, with the smaller shops being the most vulnerable. The true extent of crime is never fully known in areas where there is a lack of a coordinated response simply because owners and managers feel the administration burden of reporting crime is too much in situations where apprehension and conviction is unlikely. Town centre partnerships which link to wider partnerships and strategies on crime reduction are essential for making a difference.

**ATCM Wales recommends that the Welsh Government must support the creation of anti-social and crime reduction partnerships for the town centre and encourage their integration with wider partnerships and strategies for neighbourhood crime reduction.**

## Case Study: Cynon Valley Business Crime Reduction Partnership

This partnership between the local authority, police and businesses was established to reduce crime and the fear of crime in Aberdare town centre, with a particular focus on cutting violence in the night-time economy. A business crime coordinator was appointed, enabling information on crimes and criminals to be shared between all partners on a regular basis. The use of photographs of target criminals soon led to arrests and an exclusion scheme was set up to bar offenders from members' premises. The project went on to encompass some 30 fee-paying businesses, whose contributions paid for a radio link system and enabled the launch of a safe child scheme. Night economy initiatives, including a successful application for Home Office funding for high visibility policing and the purchase of unbreakable plastic glasses for town centre pubs and clubs made a significant contribution to reducing violence over the festive season. A security advice programme contributed to a 31% downturn in commercial burglary and a 26% reduction in shop crime, whilst car crime was down 42% following a public awareness campaign. These combined successes led to the town receiving a Safer Business Award in 2005.

## **Additional Information**

We hope that the information provided is useful to the Welsh Government in better understanding the town centre during this challenging time. Although this submission and its recommendations have been written specifically for the Welsh Government, partnership is required at all levels, from the public, private and voluntary sectors is required for its vision to be achieved. Government's primary role must be to encourage, support and facilitate, while in many cases it will be down to local partnerships to action and implement.

The membership of ATCM and UK BIDs are more than happy to assist in making these recommendations work in practice by setting out strategies, offering advice and where relevant even delivering results. Additional schemes which have helped high streets secure a better future can be found in 100 Ways to Help the High Street ([www.100-highstreet.co.uk](http://www.100-highstreet.co.uk)).

We look forward to hearing from you.

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# Agenda Item 3



**Business Improvement District**

**WELSH GOVERNMENT ENTERPRISE & BUSINESS  
COMMITTEE**

**TOWN CENTRE REGENERATION INQUIRY**

**PAPER AUTHOR**

**MR RUSSELL J GREENSLADE BA (Hons) FCIM CM  
CHIEF EXECUTIVE**

**SWANSEA BUSINESS IMPROVEMENT DISTRICT (BID)**

## **What is a Business Improvement District?**

A Business Improvement District (BID) delivers a sustainable financial model to a defined geographical area of a town, city, commercial district or tourism and visitor area, where businesses have voted to invest collectively in local improvements in addition to those delivered by statutory authorities. They are often, although not exclusively, a partnership arrangement through which the local business community and the statutory authorities can take forward projects which will benefit the local economy.

A BID is not a substitute for central or local government, but an additional investment to strengthen the local economy and give local businesses a unified voice, helping to provide an arena for businesses and local authorities to increase their understanding of each other's priorities.

Before agreeing to fund the additional investment the businesses within the proposed BID area will determine the issues and decide how their money will be spent and how much they are prepared to pay. The Business Plan produced should include performance guarantee, a management structure and a delivery mechanism.

BIDS are developed, managed and paid for by the business sector by means of a compulsory BID levy which the businesses within the proposed BID area must vote in favour of before the BID can be established. Each business liable to contribute to the BID will be able to vote on whether or not the BID goes ahead. The interests of both large and small businesses are protected through a voting system that requires a majority in the numerical votes cast and the rateable value of votes cast. Borne out of Town Centre Management Partnerships (TCMPs), the concept was originally set up in Canada but took off in the US in the late 1970's. The BID concept has proved successful in growing the local economy and helping to maintain and improve the asset value.

A BID can last for no more than five years, and will either be dissolved at the end of its term or will seek a new mandate and term.

## **Swansea Business Improvement District (BID)**

The Local Government Act 2003 contains provisions to give the National Assembly for Wales's powers to set up Business Improvement Districts in Wales (BIDs).

Powers to set up Business Improvement Districts were granted to Wales in the Local Government Act 2003 and set in regulations in 2005 (Business Improvement Districts (Wales) Regulations 2005).

The City & County of Swansea lead on the formation of Swansea BID funding the first ballot process and assisting in the creation of the BID Company working with local private business leaders to operate the BID as a Company Limited by Guarantee.

The establishment of Swansea BID was determined through a formal democratic private ballot process in which every business, irrespective of size received equal representation and had the opportunity to vote YES/NO to Swansea BID in May 2006.

The area covered by the BID is shown at Appendix I

Prior to the Ballot taking place the businesses had indicated objectives that needed to be delivered and a business plan was produced accordingly.

The key objectives for the BID to deliver were:

1. Transportation
2. Marketing
3. Safety & Security
4. Supporting & Attracting Business
5. Cleansing

The ballot in 2006 was successful and Swansea Business Improvement limited was set up and commenced trading in August 2006. The company, as previously mentioned, is a private company limited by Guarantee. All BID payers in the BID area being members of the company.

Working with the Police and partnership agencies Swansea BID has delivered the following –

- Reduced violent crime & disorder by 68% (*during festive season 2009*)
- Reduced retail crime by 21.1% (*1<sup>st</sup> April – 30<sup>th</sup> Sep 2010*)
- Reduced Anti Social Behaviour by 25.5% (*1<sup>st</sup> April – 30<sup>th</sup> Sep 2010*)
- Reduced violent crime by 14.9% (*first quarter 2010 compared to previous year*)
- Reduced general crime reduction by 10.2% resulting in approx 32 fewer victims of crime per month in Swansea City Centre (*first quarter 2010 compared to previous year*)
- Delivered 73.7% arrest / detection rate, this means more offenders are being brought to justice and substantial amounts of stolen property recovered and returned to our BID Members.
- Won The British Cleaning Councils City Centre Award 2009/2010 making Swansea the cleanest City Centre in Wales.
- Brought in over thousands of extra people through events
- Brought in over 250,000 cars through FREE car parking projects
- Put Swansea on National TV for the first time, seen by millions
- Delivered over £1.5m worth of FREE media coverage.
- Radio and press campaigns have given over 2m people the opportunity to hear and read about businesses and Swansea City Centre.

On March 7<sup>th</sup> 2011 Swansea BID secured a strong mandate to continue for a further 5 years until July 31<sup>st</sup> 2016. After consulting with BID Member as part of our revote strategy we have been tasked to develop and deliver on the following core projects going forward –

1. Car Parking & Transportation
2. Safety & Security
3. Marketing/PR & Events
4. Cleansing
5. Supporting & Attracting Business

BID's as a concept has grown tremendously fast over the last couple of years with the BRC (British Retail Consortium), IBRF (Inter Bank Rating Forum) and FSB (Federation of Small Businesses) expecting the number of BIDs to grow rapidly in the next few years and see BID's a vital Town Centre/City Centre regeneration tool now and more importantly in the future.

Swansea BID is now one of 120 BIDS in the UK and the second biggest BID in UK based on number of businesses within it. At present we are the only BID in Wales.

### **Summary of actions**

Below is a summary of the main actions we have undertaken towards regenerating areas of Swansea, some funded solely by the BID some funded jointly with third parties.

### **Car Parking & Transportation**

We have worked with the Local Authority on a 2 hour FREE car parking project coupled with a Park & Ride offer to help increase foot flow into the City Centre.

In March 2010 we changed the offer to 1 hour FREE at all City Centre NCP Car Parks. Since BID started this FREE car parking project over 200,000 cars have used the FREE car parking offer.

We have also brokered a deal with the NCP that workers in the City Centre can park at NCP's at a greatly reduced costs helping businesses retain staff who themselves save money daily.

We feel that all the Car Parking & Transportation BID initiatives undertaken have helped increase footfall into Swansea City Centre.

Support was received from the Local Authority in the form of a joint venture for 2 hours FREE car parking at local authority car park. The NCP project is solely funded by the BID.

### **Safety & Security**

BID funds three City Centre Rangers to include Night Time Rangers to support the local authority Night Time Economy Officer.

We also fund 6 Taxi Marshals during the Night Time. This is a 100% BID funded project. These six SIA (Security Industry Accredited) Taxi Marshals operate during the night time Economy and have proved to be highly successful and impactful. This BID initiative offers safety and security to BID Member's staff and customers alike.

Between 1st April 2010 and 30th September 2010, compared to the same period in the previous year, BID worked with our partners to obtain a 15.3% reduction in retail theft within the BID area, saving our BID Members literally thousands of pounds in shop theft.

Working with our partners during the first quarter of 2010 we have achieved a 73.7% arrest/detection rate resulting in more offenders being brought to justice and thousands of pounds worth of stolen property recovered and returned to our BID Members.

Working in partnership we have reduced violent crime by 14.9% compared to the previous year and obtained a general crime reduction of 10.2% resulting in approximately 32 fewer victims of crime per month in Swansea City Centre.

Due to Swansea BID safety / security efforts in working with our partners to reducing violent disorder / crime Swansea is now **THE** safest University City in Wales.

Local authority supports BID funding by matching the cost of three City Centre rangers with an additional three rangers.

### **Marketing, PR & Events**

We introduced major marketing TV, Radio and Press campaigns, spreading the word about the city's transformation and challenging outdated perceptions. We put Swansea on National TV for the first time. Proactive and holistic PR has delivered over £1.5m worth of FREE media coverage.

Our marketing programme / vehicle has been hugely successful with over 400 Members directly using it to advertise their business on local radio and in publications FREE of charge. Our generic radio and press campaigns have given over 2m people the opportunity to hear and read about Members businesses and Swansea City Centre.

Going forward we are developing a 5 year marketing / PR Strategy, built on strong research, in partnership with our Members to consolidate Swansea City Centre's position as an exciting regional destination. We will target new markets and seek to retain our existing market share. We will aim to place Swansea City Centre as a first choice destination in shoppers' minds.

We have organised and delivered several successful events such as Swansea Live, Independents Day, Urban Golf Day, Get Welsh and City Centre Easter Egg Hunt.

All events were widely recognised as a highly innovative way of generating additional retail spends in the City Centre. Delivering thousands of additional visitors, these events have been highly lucrative for the City Centre generating increased foot-flow and business.

The marketing programme and events have been 100% funded by BID. Local authority has supported events in kind through officer support and licensing.

## **Supporting & Attracting Business**

We are promoting the City Centre as a destination for exciting events and new attractions as a method of driving up footfall and generating additional spend.

We are working with our strategic partners, local authority, property agents and landlords to enhance the area aesthetically through window vinyling. The aim will be to enhance the look of any empty shops to visitors and help recruit new tenants to the area thus improving City Centre economy and vibe.

Working with Skill Smart Retail we have delivered a shopper profile questionnaire and mystery shopper scheme in the City Centre. This project is part of the Mary Portas 'Queen of Shops' national High St report to the Prime Minister. We have been in contact with the Welsh Office inviting Mary Portas herself to Swansea once she has finished in England.

We believe she will be visiting one City/Town in each Country, as the only BID in Wales and having lead on mystery shoppers, shopper surveys etc we are pushing for the Welsh visit to be Swansea.

BID obtained £30,000 funding from Skill Smart Retail who were funded by European Social Fund (ESF) The Welsh Assembly Government for this project.

We have placed together a BID pack for property agents that will include local demographics, foot flow etc aimed at recruiting more businesses into the City Centre. Property agents are all fully on board with this and using the pack as a key marketing tool when talking with potential new City Centre tenants.

Working with a professional procurement company we have conducted recycling/waste consultation with City Centre Businesses. From this consultation we aim to be a position to offer free or heavily discounted recycling/waste collection to BID Members which is helping maintain their bottom line in these difficult times.

Local authority BEP (Building Enhancement Programme) support the vinyling project with five thousand pounds in a joint funding.

## **Cleansing**

Our cleansing projects in our first term helped us to win The British Cleaning Councils City Centre Award 2009/2010 making Swansea the cleanest City Centre in Wales. Going forward we are now working with The Local Authority to deliver a unique gum removal service in The City Centre which is something businesses put at the top of their wish list. The local authority is following gum removal with street washing in order to provide a structured cleansing regime.

This gum removal project is a joint venture between local authority and BID for 6 months with BID pledging to continue this project for a further 6 months to ensure we remove as much gum as possible. This will no doubt enhance the appeal of the City Centre to visitors and businesses and help with regeneration.

## **Funding**

The vast majority of our funding is from Businesses in Swansea City Centre who pay the 1% levy on business rates to BID.

The Local Authority funds ten thousand pounds per year towards the BID Management costs. We are in discussions for the BID Levy cost of Fifteen Thousand Pounds to be waived by the Local Authority.

Welsh Assembly government (as it was) funded thirty thousand pounds towards BID at start up in 2006.

Since we started in 2006 we have received no further funding from Welsh Government to help deliver the hugely impactful regeneration projects that work.

Funding is an issue I would like to make the committee aware of. In order for BID's to develop and grow further central government funding mechanisms need to be investigated in order that BID's can make even more of an impact on Town/City Centre regeneration.

## **Recommendations**

On reflection of the above I feel the following recommendations should be considered by the committee when compiling their report.

1. Mechanisms that can help support BIDs in terms of funding. Swansea BID's progress since 2006 coupled with businesses themselves voting us back in for a further 5 years clearly demonstrates the positive impact a BID has on Town/City Centre Regeneration and development plus businesses value Swansea BID.
2. Investigations into developing new BID's in Wales. Scotland operates an overarching BID's company called Business Improvement Districts Scotland. Scotland currently has 11 established BID's and 17 developing BID's and 30 or so in the pipeline so they are advanced in developing the BID's concept.

This clearly supports the fact that Scotland Central Government feels BID's work and fully supports them through funding and set up. The overarching BID's company supports the other established and developing BIDs in terms of ballot, set up, business/ project planning, good practice guide, management team structure and mentoring to ensure positive ROI for all stakeholders. This overarching Business Improvement District Company is 100% government funded.

3. The Enterprise Park model may need further investigations. This would directly benefit Town/City Centres due to relaxed planning and business rates policies that will encourage regeneration and development. I am not an expert in this area and I am aware our local authority are already looking into this, however, from a BID point of view I can see how this concept would work with and support a BID and its members.
4. We work very closely with The Local Authority and deal with a wide breath of levels to deliver our projects and objectives. We operate a board of Directors and Sub Groups which include local authority representatives, Councillors national traders, independent traders and local media. Perhaps the Committee would consider The Welsh Government becoming more involved with Swansea BID in terms of non-voting representation. This representative can present to BID board/Sub Groups on Welsh Government issues in order for us to be able to disseminate this information to our 800+ businesses.

## **Summary**

To conclude, it is clearly evident that Wales are falling behind other Countries in BID's development as the Scottish BID's example above clear illustrates. Other countries such as Sweden and Norway are now passing legislation to bring BID's to life.

Wales has some of the best Cities/Towns in the UK, based on the success of Swansea BID these Cities/Towns would only get better with a BID with visitors, businesses and property owners benefiting. The businesses in a BID genuinely control their trading environment that is driven by a private sector management approach.

A BID is a valuable investment for any City/Town Centre, unlocking millions of pounds of additional consumer spending. We/Swansea BID have delivered a real step change in the trading environment in Swansea City Centre and delivered a direct major investment of 2.3m into Swansea City Centre.

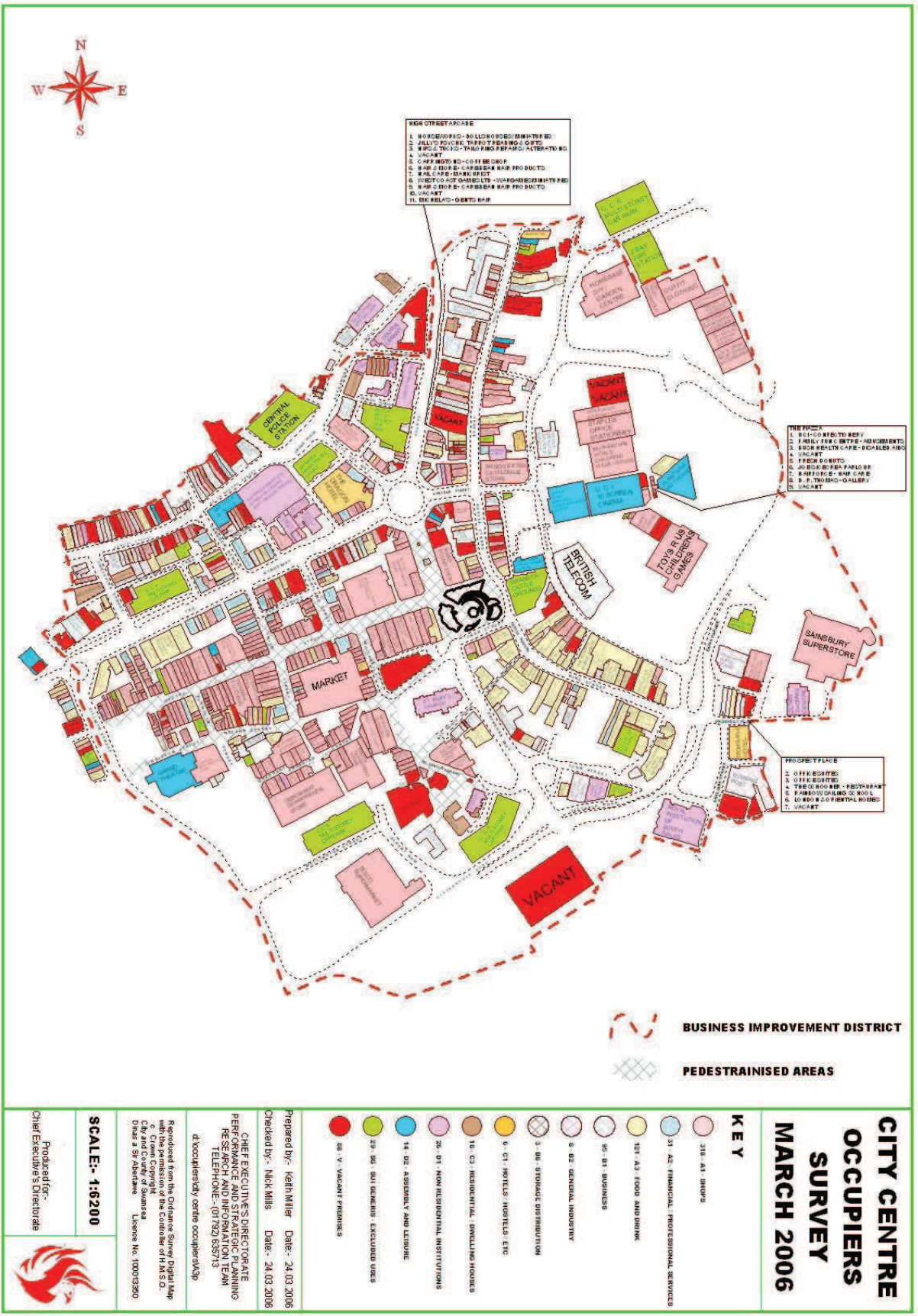
We would like to set up a meeting with the relevant minister to discuss the moving forward with the setting up of Bids-Wales to establish BIDS in other towns, cities across Wales. We have the knowledge to be able to deliver further BID areas which ensures increased funding by the way of the BID levy. In these times of restrictive spending, this can only be a good thing.

More investment by The Welsh Central Government in BID's is needed.

# APPENDICES 1

## Swansea Business Improvement District (BID) Area





## Enterprise and Business Committee Inquiry into Town Centre Regeneration

Evidence from Boots UK

September 2011



A submission by Boots UK

### 1. Overview of Boots in Wales

Boots has a long history of presence in Wales. Boots opened its first store in Wales in 1896 at 2 Oxford Road, Swansea. The two stores across the whole group which are still in the same building are the Pontypridd store opened in 1897 and the Commercial Street Aberdare store also opened in 1897. Boots is now the leading pharmacy-based health and beauty retailer in the high street in Wales. There are currently (end August 2011) 101 retail and pharmacy stores on Wales employing around 2,000 Full Time Equivalent employees. 97% of our stores are in town centre and high street locations. In addition, there are also 10 Boots Optician stores in Wales employing approximately 100 people between them. These are also typically in town centre locations. Boots is therefore a significant part of the Welsh business community and especially the town centre retail sector.

Boots is part of Alliance Boots, which also has several other operations in Wales. Alliance Healthcare Distribution Ltd operates a Service Centre in Fforestfach, Swansea. The centre currently employs approximately 200 people and provides deliveries twice a day to every one of the 708 community pharmacies in Wales.

In 2007 Boots established its global product development centre in the Institute of Life Sciences in Swansea University. The purpose of the Centre is to “unlock the barriers that stand between good ideas and high street success”. The expert team of marketers, product developers and researchers turn concepts into shelf-ready products which reach millions of customers – all through the hub in Swansea.

It has already generated multi-million pound benefits to entrepreneurs from more than 20 new products now on the shelves of Boots stores in the UK and overseas and available to millions of customers. There are currently a further 10 new products in the pipeline. Overall BCI has generated more than £5million of incremental sales from the products introduced.

Boots Hearingcare, which runs through a franchise with David Ormerod, also has a base in Llandudno in north Wales where 10 people are employed and a phone-based patient advice service is operated. There are also 8 Boots Hearingcare centres in Wales employing between them around 20 people.

Boots success is a result of innovative healthcare research and well developed knowledge and practice on taking that healthcare to the public. Wales contributes to all parts of this Boots world. Boots is committed to making high quality healthcare more accessible and helping to tackle health inequalities through our network of community pharmacies in town and city centres and in rural communities. We are conscious of our responsibilities to the communities we serve. We currently have an innovative partnership with Macmillan Cancer Support which is uniquely aimed at making Macmillan advice and support for cancer patients and their families available in the high street in Boots stores. The high street and town centre locations of Boots stores are critical to this partnership. This work is very active in Wales where the Boots + Macmillan Partnership has produced a range of bilingual materials, run joint presentation stands and other operations in the National Eisteddfod as well as at various party political events.

Since the establishment of the National Assembly in 1999, Boots has worked closely with the Welsh Assembly Government, Assembly Members in all four major parties and Welsh Ministers with responsibility for Health, Social Services, Economic Development, Transport, Environment, Local Government and Finance. The business has contributed to a range of policy discussions and made internal knowledge and expertise available to local and central government officials from public health to spatial planning.

We are a founder member, and current Corporate Champions, of the Association of Town Centre Management (ATCM) and continue to work closely with town and city centre managers across Wales. We have led the retail community in shaping the development of Business Improvement Districts (BIDs) across GB, and have worked closely with Wales' first BID partnership responsible for Swansea city centre. Boots hosts and facilitates a twice yearly 'Insight' training programme, available free of charge for newly appointed town centre managers and BID managers. We are also taking a leading role in Northern Ireland in their current development of an appropriate form of BIDs.

Boots also supports the sustainability of the heritage and culture of Wales and is a member of the Welsh Language Board's *Cefnogi'r Gymraeg: Investing in Welsh* initiative. Our new Welsh Language Policy was launched at the National Eisteddfod in Bala in August 2009 and is displayed in our stores throughout Wales. Having been sponsors of the Eisteddfod for 11 years, in the National Eisteddfod in Wrexham in 2011 Boots ran the first registered pharmacy on the Maes and a team of Boots

Welsh speaking pharmacists conducted over 1100 free health checks for Eisteddfodwyr.

## 2. Boots and Town Centre Regeneration

Boots is strongly committed to town centres and is actively involved in partnerships to support the sustainability of town centres into the 21<sup>st</sup> century. Sustainable and successful town centres are now based on multiple sectors, industries and active stakeholders coming together.

There are 7 factors that our High Street Customers tell us they want in the future and Boots considers these as the 7 keys to our town centre success:

- **Health** - growing concerns over health and interest in taking more self-responsibility for health
- **Convenience** - managing the problem of time scarcity in a 24/7 lifestyle
- **Individualism** - more personal and customised brand experiences near each other
- **Connectivity** – the need for relationships and belonging, especially in areas of social deprivation and low incomes
- **Comfort** - safety, simplicity, trust and low crime activity
- **Income complexity** - increasing mix of high and low consumerism
- **Age and Lifestage complexity** – shopping defies age, gender and other stereotypes.

These 7 steps to a sustainable town centre lead us to support the work that the British Retail Consortium (BRC) is doing on “The 21<sup>st</sup> Century High Street” which is featured in their evidence to this Committee Inquiry.

These priorities, both for our own business and for the retail sector in town centres more widely, immediately illustrate how the policy agenda for town centres is complicated and sits across several Government departments and Ministerial responsibilities. (This pertains to bullet point 3 of the Inquiry’s remit.) In the Welsh Government this includes Ministers with responsibility for Finance, Transport, Community Safety and Security, Planning, Local Government, Enterprise and Business. In the Welsh Government Cabinet this only leaves out Education and Health. Although there is also relevance in the education portfolio for retail skills and the Health Minister’s expressed support for the enhancement of community pharmacy services will involve investment in one of the key players in many Welsh town centres.

There is therefore a clear need for all the Welsh Government to think and act holistically as policy support for town centres cannot be viewed in isolation. The danger is that if it is everyone’s responsibility in Cabinet, it can also become no-one’s

responsibility. To avoid this we would suggest that one Minister in the Welsh Cabinet has specific, named overall responsibility for town centres, probably the Minister for Enterprise and Business. In addition, the structure of the Welsh Government may lend itself to a Cabinet Committee on Town Centre Regeneration with the named Minister in the Chair.

In Wales, Boots is a member of several town centre partnerships and similar local bodies, including in Cardiff, Swansea and Newport. These are of direct benefit to the business, as well as to the town centre, where they allow active business engagement in development of the strategy and in delivery especially of parking solutions, anti crime measures, street cleanliness and joint marketing.

The business is also in discussion with other town centre initiatives across Wales with a view to further active involvement to assist in understanding of the retail sector and in enhancing the business contribution, financially and otherwise, in town centre development and policy making. Boots is particularly committed to support for genuine town centre partnerships between local businesses and local government.

Boots supports the development of effective partnerships in town centres, recognising these structures will take different forms dependant on local needs. Structures will include Town Centre Management, Business Improvement Districts and Retail Crime Partnerships.

### **3. Town Centres Under Pressure**

In Wales and across the UK there is currently great interest in the health of town centres and high streets. However pressure on the high streets is nothing new: it's been there for more than 20 years. Traditional high streets have increasingly been faced with competition from two alternative retail formats. The first of these is out of town shopping. Between 1986 and 1997 the number of out of town shopping destinations across the UK increased four-fold, with average spend significantly larger out of town than in town. The second source of increasing competition has been the growth of the internet, where sales will reach 10% by 2013. These developments will carry on into the future, they are customer driven and will not disappear.

Although the largest 30 high streets in the UK, including Cardiff, have continued to attract investment, market towns have increasingly struggled to maintain their vitality. Out of town retail has been driven by the growth of supermarkets, which has seen their share of the UK retail market grow from 35% in 1998 to 40% by 2008. Much of this growth has been centred on non food items, traditionally purchased in the high street. Meanwhile internet retail has 'hit' some markets particularly severely, today representing in excess of 40% of music and video, and 23% of electrical sales.

These changes have been particularly challenging for those retailers, large and small, operating in traditional high streets. During a particularly bad period between April 2008 to November 2009, 53 UK-wide retailers closed 7576 stores. These closures have contributed to vacancy rates reaching the mid teens in many town centres, and in some cases the high twenties. Household names like Bay Trading

(268 stores), Adams Clothing (147 stores) Woolworths (820 stores) Zavi (125 stores), Celebrations (288 stores) Blacks Leisure (400 stores), The Officers Club (118 stores) and Whittards (130 stores) all closed stores during this 18 month period. This pattern of closures has not stopped, with recent town centre closures by T J Hughes, Habitat and others. It would be quite wrong therefore, to see recent pressures on the high street as only impacting on independent and small shops, whilst assuming UK-wide retailers continue to grow and prosper.

If high streets are increasingly being challenged by alternative retail formats, and if we believe they provide a heart to our communities which we wish to see continue for future generations, we need to ensure that they are treated in a fair and equitable way and that the 'playing field' is balanced when compared to the treatment of out of town and internet retail. At present in many policy areas this is not the case.

#### **4. The Retail Sector in Wales**

While the leisure sector is becoming increasingly important in many town centres, it is the retail sector that is still the main economic driver in the vast majority of cases. The health and sustainability of the retail sector is therefore crucial to the health and sustainability of the town centre.

Everyone in Wales engages with the retail sector virtually every day: we all invest in it, we all take part in it and we all have views on it. Retail jobs in Wales account for approximately 10% of the Welsh workforce.

Despite this centrality, the retail sector is not traditionally one of the sectors of the economy in Wales that government has championed. Retail does not get the same high profile support as the manufacturing sector or agriculture. Retail sector figures are not included in the monthly economic data published by the Welsh Government Statistics Department, there is not a Retail Sector Forum in Wales, nor is there retail representation on the statutory Government Business Partnership.

The retail sector does not seek direct grants in the way that other sectors might do. Indeed there are European rules which preclude grants to retail in many instances and over the years this may have influenced the Welsh Government's inclination to work with the retail sector. This would apply both before and after the establishment of the Assembly. Any government support for the retail sector would not fit easily into the model of regional assistance grants and the like. But that is not to say that there is no other support that government can give.

There are some useful comparisons with various forms of non-grant focused government support. This includes supportive policies across the range of government responsibilities, as outlined above, and also structured mechanisms for intelligence and information sharing between government and the sector. This would inform understanding of the sector by government and lead to better informed policy for retail and consequently for town centres.

Retail specialists Verdict Research in a Report on Wales in December 2010 said that "Wales offers significant expansion opportunities for retailers". Verdict commented

that Wales is “a difficult region for retailing” “suffers from a marked undersupply of prime retail space” with ‘only 18million sq ft of retail space – representing the lowest amount of any UK region and just 6.1sq ft of retail space per person’ 2<sup>nd</sup> lowest of UK regions and notes that the retail sector in Wales is “dominated by Cardiff and Swansea and with Cardiff having nearly 3 times the space of 3<sup>rd</sup> place Wrexham”.

In their 2011 Manifesto for Wales, the British Retail Consortium outlined the 5 key characteristics of the retail sector in Wales:

- The retail sector generates 10% of the GDP of Wales compared with 7% for the UK as a whole;
- Retail employment accounts for around 10% of total Welsh employment;
- There are 8,965 retail businesses in Wales operating from 13,670 premises;
- Approximately 12 per cent of business establishments in Wales are retail, accounting for 5% of the UK total;
- Cardiff is the sixth most important retail destination in the UK.

While this provides a useful descriptor for the retail sector in Wales, recent snapshot figures by an authoritative partnership of BRC and the Association of Town Centre Management (ATCM), show a depressing picture of the Welsh retail sector in the second quarter of 2011. They show that in a bad period for all UK retail when overall footfall between May and July was 1 % lower than the same period a year earlier and when in the previous 12 months high streets on average have seen the highest drop in footfall of 2.6%, the hardest hit locations throughout the UK were in Wales where there was a drop of 9.2%.

The research shows that town centres were particularly badly hit. The UK-wide town centre vacancy rate was 11.2% in May 2011. While in Wales the comparable vacancy rate was 13.4%. Only Northern Ireland was higher at 17.1%. The bad showing by Wales was interpreted by BRC’s Director General, Stephen Robertson, as “Generally, the parts of the UK where the public sector is a bigger proportion of the economy are the ones where customer spending is most likely to be hit by worries about job prospects and cuts, meaning people are shopping less and more retail businesses are failing. By both measures, Northern Ireland and Wales are suffering particularly badly.”

Boots does not disagree with this analysis. This also means that the comparative weakness of Welsh town centres is likely to remain or even worsen during the current economic climate. The higher than average proportion of the population relying on state benefits in some parts of Wales will also have an increasingly detrimental effect on the viability of town centres in these areas. In other parts of Wales, the challenge is for the sustainability of rural market towns or seaside towns.

As a specialist retailer Boots experiences first hand some of the social pressures of Welsh communities. While the provision of substance misuse services in accessible town centre community pharmacies is largely in the big urban centres, it is increasingly also in the seaside towns, valleys pharmacies and small rural pharmacies. We also provide pharmacy run minor ailments services and treatments funded specifically to address severe health inequalities.

These economic, social and public health pressures will all impact on the viability of already vulnerable town centres and make the need for complex but focussed town centre regeneration strategies and delivery even more pressing.

## **5. Consideration of Town Centres and Retail Sector by Governments, Parliaments and Assemblies**

The lack of dialogue between government and stakeholders in any circumstances can result in badly informed policy. We believe that there is a limited understanding by the Welsh Government about how retail works in Wales and this is partly due to the current lack of any meaningful mechanism facilitating dialogue between government and the retail sector. We outline below several examples of how retail and government are working together; ideas, that might inform a future Welsh model. Boots is supportive of current proposals for an appropriate means for such a mechanism to be developed in Wales.

### **England**

The Retail Policy Forum is operated by the Department of Business, Innovation and Skills (BIS). The Forum brings together relevant officials from different departments in Whitehall with responsibility for aspects of retail operation, and key retail representatives. These meetings enable government to enhance their understanding of the retail sector, its operation, its main issues and concerns at any time and to raise with retailers any issues they may want to do so. They also give retailers regular opportunities to raise any issues and concerns with government, to discuss and contribute to forthcoming government policy.

During the recent high street disturbances in some parts of England, these relationships proved vital: government had readily available contact points in the private retail sector to provide swift assistance and recovery at the time.

As an indication of the current concerns with the health of high streets in England, in May 2011 the Prime Minister appointed retail consultant Mary Portas to lead an independent review into the future of the High Street in England. The purpose of the review is to identify what government, local authorities and businesses can do to promote the development of more prosperous and diverse high streets. This Review is also due to form part of the Government's wider Growth Review which is examining how barriers can be removed to achieve "strong, sustainable and balanced growth that is more evenly shared across the country and between industries". Mary Portas will present the final Report by the end of 2011 to Ministers.

An additional initiative in England is part of the programme of Business in the Community. A Report on "Future High Streets" was launched at a "Seeing is Believing" town centre visit led by Alex Gourlay, Chief Executive of the Health and Beauty Division, Alliance Boots and attended by business leaders and Ed Davey MP, BIS Minister. Boots are now in discussions with Business in the Community in

Wales to explore if there is interest in a similar project here. Boots also recommends this practical approach of visits to good practice in town centres to the Welsh Government and to the Enterprise and Business Committee and would be pleased to be part of such town centre fact-finding visits.

## **Northern Ireland**

In Northern Ireland the responsibility for urban regeneration was with the Department for Social Development. In 2001 the Department produced a draft Town Centre Reinvigoration Policy. After a process of iteration this became the published “Vital and Viable – a good practice guide for breathing new life into cities and towns”. In October 2007 the Northern Ireland Assembly’s Social Development Committee agreed to undertake an Inquiry into Town Centre Regeneration Policy. This thorough inquiry has some interesting parallels with the current Welsh Assembly Committee Inquiry. However, there is not the equivalent extent of clear government policy and strategy. Some of the relevant findings and recommendations of the Northern Ireland Assembly Committee are:

- That an overarching policy for town centre regeneration is essential
- Obstacles to policy development need to be overcome, especially through cross-departmental buy-in
- Robust Key Performance Indicators would help determine effectiveness and should include evaluation of policy based on a balanced set of deprivation, social exclusion, economic and commercial indicators
- Commendation for Ministerial support of statutory Business Improvement Districts.

At present we understand the re-elected Northern Ireland Executive is considering how to take these recommendations forward.

## **Scotland**

In Scotland there has been a commitment to take forward a new Cities Strategy, led by the Deputy First Minister as Cities Minister. The SNP manifesto also committed to 'look to bring together the various existing funding streams to create a simpler, more easily accessible Town Centre Regeneration Fund'. The Town Centre Regeneration Fund was an initiative implemented by the previous Scottish Parliament to promote and encourage specific initiatives targeted at town centre vitality.

Scotland’s partnership between government and the retail sector is encouraged by the strong Scottish Retail Consortium. To establish an accurate understanding of the retail sector the Scottish Government has also commissioned the comprehensive study on “Assessing the Retail Contribution in Scotland” with the purpose of establishing the contribution of retail to economic growth other policy objectives and food and drink policy.

## **6. Business Improvement Districts (BIDs)**

In this section Boots gives special consideration to an existing mechanism of town centre regeneration that is available throughout England, Wales and Scotland but has been taken up less by towns in Wales than anywhere else - Business Improvement Districts

Business Improvement Districts (BIDs) cover a defined geographical area and allow an additional local levy to be charged to businesses, enabling the private sector to commit and invest in improvements to the trading environment. Once collected by the Local Authority, BID revenue is passed to a private sector led body to deliver the investment plan.

Swansea is currently the only place in Wales to take advantage of this opportunity for town centre businesses, and for town centres overall. The Swansea BID, established in 2006, allows 700+ businesses in the City Centre to identify key issues that impact on their trading and start projects to tackle them. Its core objectives were Transport and Access, Supporting and Attracting business, Raising the Profile, Brightening the City Centre, and Safe and Secure.

It is not clear why Swansea is the only community in Wales to have taken up the opportunity for BIDs. There are many other communities, market towns and other town centres where Boots believes this model of business involvement and commitment to regeneration and sustainability would work well and have widespread benefits. 'Size' of location should not be the issue, there are many small communities, high streets and market towns developing BIDs in England and Scotland – indeed experience suggests BIDs may be more effective in these smaller communities where a sense of local 'ownership' is greater.

## **7. Transport and Parking**

Transport, and the growth in road transport in particular, is one of today's most high profile environmental issues. Appropriate arrangements for parking can make or break a town centre.

Car parking should be viewed as a 'town centre attractor', rather than as a form of traffic management or 'cash generator'. Transport is vital to the success of the retail industry. Retailers rely on access to transport for the daily operation of their business – to access their customer base, deliver goods, and to enable their employees to reach the workplace. The vast majority of consumers use some form of transport to get to the shops – mainly car – and easy access is now a critical factor in any retailer's, and high streets, competitiveness. Where accessibility and car parking is not of sufficient quality or value, the motorist will choose to visit alternative retail formats providing these services, often away from town centres.

## **8. Conclusions and Recommendations for Committee Consideration**

Boots has a long and distinguished record in Wales and currently plays a key part in many town centres across Wales. Boots has a track record of positive engagement in developing effective dialogue and partnership at local level in support of individual

town centre vitality, and is keen to contribute to developing a stronger focus on town centres in Wales. Boots is currently expanding its active involvement in genuine town centre partnerships in Wales where valid business engagement can take place.

Based on our experience elsewhere, and our support for the success and sustainability of Welsh town centres, we commend a series of conclusions and recommendations to the Committee:

1. There is a need for integrated, active and positive management of our town centres, highlighting the roles played by Business Improvement Districts and other partnerships with local businesses. The scope for matched funding of BIDs from existing business rates revenues.
2. Effectively monitor the health of town centres, to enable resources to be used in as targeted and effective way as possible.
3. Local Authorities have a critical role to play in supporting the ongoing development of town centres and high street vitality so as to maintain their role in providing a heart to many communities.
4. There is a vital role for a plan-led approach, where businesses have a genuine opportunity to influence the development and implementation of the local plan.
5. Quality and cost of car parking. Car parking should be viewed as a 'town centre attractor', rather than as a form of traffic management or 'cash generator'
6. Explore methods to support innovation and new retail start ups.
7. Planning policy to emphasise the need for focus on 'Town Centre First' policy
8. Name a Welsh Cabinet Minister to have named responsibility for town centres
9. There should be an agreed formal arrangement for dialogue between Welsh government and retail sector as appropriate for Wales – this might be a Retail Forum or a 6-monthly meeting between officials and a range of retailers
10. Address current pressing issues with an initial Retail Summit led by Enterprise Minister and include multi-agency representation
11. Strategic Regeneration Area Partnerships to include key person from at least one local retail business with responsibility to act as conduit with other retailers in area
12. Strategic Regeneration Area Partnerships to include at least one local Town Centre Manager with responsibility to act as conduit with other town centre managers in area
13. Undertake fact-finding tours of town centres at annual intervals to assess regeneration progress against agreed criteria.

Boots looks forward to working with the Enterprise and Business Committee during this Inquiry on Town Centre Regeneration and to continuing and expanding its contributions to town centre regeneration in communities across Wales.

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