

## **East/ West Midlands Under-served Markets Event – GOEM offices, 3 March 2008**

### **Welcome**

Melanie Alker, Director, GOEM welcomed everyone to Nottingham and the GOEM offices.

### **Chris Monk – King Sturge**

King Sturge are sponsors for the regional workshops and provided background research material for the USM guide e.g. including information on nature of retail employment.

Chris provided some background information on the importance of retail employment. There are currently 3m people employed in retail sector of which 1.9m are women. The opportunities for part-time employment provided by the retail sector are important as they provide flexible opportunities.

Chris mentioned the need to provide holistic solutions and not just look at retail. There is also a need to link opportunities with local people e.g. the supermarket in the Castle Vale regeneration area employs 95% local people.

### **Introduction to the USM Project**

#### **Bill Boler, USM Project**

These workshops follow the structure of the Under-served Markets guide which is available freely from the NRPF website [www.nrpf.org](http://www.nrpf.org).

Bill's experience derives from Harlem in New York where retail investment was used as part of a wider strategy. A good retail offer was needed to attract people back to Harlem – which also created opportunities for new businesses.

In the Harlem, when asked existing local business said what was needed was more people and more mixed communities

Another theme of the work in Harlem was trying to move projects away from reliance on Government funding to more private sector investment

There is a need to work out what we are trying to focus on – the link between investment, jobs, training.

The project in the UK is aimed at getting more retail investment into deprived areas. The USM project used Boston Consulting to initially identify deprived areas.

### **Key themes:**

- Attracting retail investment and using this investment to regenerate deprived areas
- Retail as a catalyst –it creates the context for change.

Research carried out by King Sturge showed that many people (around 45%) worked in retail at some point even though they may have moved on to other forms of employment.

A key issue is engaging with retailers to support local businesses.

Nature of deprived areas – most are not in town centres – therefore we do not want them left behind because of the town centre focus of policy.

Clone town debate is too simplistic. Many small ‘independents’ are kebab shops etc. and may not be the ones we particularly want to support.

Since PPS 6 came into being the number of retail schemes being built in town centres has increased to around 40% which is good, However, more of the remaining 60% should be directed towards deprived areas.

One theme for the project is the need to join up regeneration and planning.

A new IMD classification was released in November 2007. Many of the most deprived areas are in fact located in suburbs rather than town centres.

Issue: how does the deprived area focus in PPS6 relate to LDFs and LAA targets?

## **Planning for retail development**

### **Mike Price, senior planning manager GOWM, dealing with regional spatial strategy and LDFs.**

Presentation sets out the main focus of PPS6 which is about to be revised although key principles will remain.

Aim: to draw attention to the links between retail planning policy and deprived areas.

- Policy background to tackling deprivation – NSNR, NDCs, - narrowing the gap between deprived and other areas. There is a role for retailing in this.
- Planning system has a positive role to play. Through regional planning and local planning framework
- Brings together economic, environmental and social, using local government's ‘place-shaping’ role
- Planning needs to make things happen – not just colours on maps impact on all sectors and in promoting sustainable forms of development that tackles deprivation
- Some PPSs are more relevant to this debate than others e.g. PPS1 (overall framework), PPS6, PPG13 on access, also PPS 4 currently out for consultation in draft form.

Key messages in PPS1 on importance of an holistic approach to tackling regeneration – physical change is not enough.

### **PPS 6 -Town centres**

- PPS6 –focus on vitality and viability of town centres (town centres first policy) but also encourages investment in deprived areas.
- Other messages in PPS6 planning for existing and new centres
- Not just retail (e.g. arts, services, etc.) but other uses that promote viability and vitality of town centres
- Also, enhancing consumer choice
- Various references to deprived areas e.g. enhancing consumer choice esp in deprived areas, promoting social inclusion, and encouraging investment to regenerate deprived areas
- Key message is the need for positive and proactive planning. Promoting growth and managing development and change
  
- Hierarchy of strategies – regional, local, action areas
- Positive tools, e.g. CPO
- Example of change to the network of strategic centres in the west midlands – e.g. Brierley Hill replacing Dudley as a strategic centre.

PPS6 argues that in promoting growth in existing or designating new town centres, priority should be given to deprived areas.

Deprived areas - PPS6 promotes use of the IMD which uses seven domains.

Key policy considerations for retail in PPS6 are:

- Need for new floorspace – (Need assessment is being changed).
- quantity and quality, with greater weight to be given to deprived areas
- Sequential approach to selecting sites –but give weight to sites that serve deprived areas
- Scale of development
- Impact of development - positive and negative (this will feature more in revisions to PPS6)
- Accessibility – public transport accessibility key for deprived areas (given that many may not have cars in these areas)
- Also, effect of the climate change agenda

Other important issues in PPS 6:

- Social inclusion –will development help those with poor access to goods and services
- Employment – realistic assessment of net change an higher skill opportunities
- Economic growth –unpack and avoid double-counting through displacement
- Physical regeneration -unpack an avoid double-counting through displacement

## **Conclusions**

- Policy is about encouraging retail development to existing centres in deprived areas
- Understanding what communities need
- Working with all key stakeholders
- Requirement for a good understanding of the needs of deprived areas
- PPS6 may not be the main use but can have a big impact on deprived areas.

## **Questions**

### **Q**

There is a dichotomy – if you place a supermarket in deprived area other local shops suffer. In Nottingham, many 70's purpose built centres are suffering. How do we help existing shops?

### **Response**

Need to ask why areas are suffering -its usually not competition but other issues e.g. rents go up. There is a need to not adopt a simplistic approach but to ask first what the causes are.

### **Q**

Whether or not an area suffers may depend on scale. For example in terms of discounters – areas don't want them but ultimately they can co-exist with other businesses.

### **Q**

There is concern that small retail stores can't buy in as cheaply as supermarkets

### **Response**

In terms of loss of trade the swing of tends to be about 20% from existing shops to new supermarkets take trade from existing

### **Q**

The situation tends to be better in France where existing towns haven't suffered from supermarkets.

### **Response**

To what extent is this really the case? Many French suburbs are in a worse position than in the UK in terms of the retail offer.

In some cases independent shops may not have adapted to change and are just doing the same things. However, need to look at details – some independent greengrocers may be cheaper than supermarkets.

### **Q**

What are the incentives for retailers to invest in deprived areas?—need to look at this

## **Response**

The project looked at the needs of retailers and initial need to decide what type of retailers you want to attract.

Need to gather evidence on deprived area to show they are markets where retailers can make profits

In Harlem work was done to measure 'cash economy' to give the full picture on how big the potential catchment was.

Need to look at evidence widely -consultation with local communities, LSP partners etc.

## **Q**

**How to avoid just attracting in large retailers and losing local smaller shops?**

## **Response**

Need to understand retail areas first. Some local shops are 'community anchors' others are not. The strategy needs to be more fine grained.

## **Q**

**Do you have any examples of use of shared supply chains, etc.?**

## **Response**

Most examples have been in rural areas.

## **Case study 1 Mark Dransfield, Dransfield Properties**

### **Marshall's Yard, Gainsborough - DVD**

Development in historic buildings to link town centre to existing Tescos. Uses include retail, leisure, etc. Phase two will include Council accommodation, housing, etc. A good example reversing market failure in the market town of Gainsborough following closure of manufacturing.

Need to understand how retailing works with the town centre. Talked to existing foodstores to understand spend profile. Research on turnover showed that extg. shops attracted spend from outside the area. Were already talking to JJB health and leisure centres and talked to them about opening a new leisure centre.

Recognise that it is important not to ignore local traders. They advertised for any interest locally in opening a unit in the new shopping centre. Problem of market towns is that large retailers need a lot of space which may mean it doesn't work. Existing Tesco store was not integrated with T/C. Marshall's Yard comprises many listed buildings. EH were very helpful. The project involved re-planning the historic core to encourage footfall. Public space within any scheme is important. If this works local people will frequent the development. They did a lot of community consultation and also employ local

staff to work on centres as this encourages loyalty. Now are achieving linked shopping trips with town centre (Tesco's trade has also gone up 25% and are now building a larger store which will not have competing trades within the store e.g. carphone warehouse and will also establish a S106 'pot' ). The development has won BCSC , RTPI and ATCM awards. The development required grant assistance because of the complications caused by the many listed buildings (£4m from EMDA).

In terms of analysis they employed CSI to look at retail catchment, age groups etc. to develop profile of retailers that would thrive in the centre to help targeted marketing.

Employment growth – site was largely derelict – now 900 jobs- around 95% have gone to local people. They have worked with JCP on job -matching.

**Q**

How have they encouraged local shops?

**Response**

Local trade has benefited as trade leakage has been reversed. Also development is now pulling from wider catchment.

**Q**

Did they have to offer any inducements?

**Response**

Given the deprived area focus funds are needed for subsidy to encourage retailers to such areas.

### **Tim Sunter – Brierley Hill Partnership**

Late 70s early 80s steelworks and other factories in the area closed. This affected social infrastructure too. Response was to develop two enterprise zones. Merry Hill out of town Centre (MHC) resulted (built by Richardson Bros.) – this was built unplanned – with no thought to infrastructure. It was blamed (unfairly) for collapse of retailing in Dudley. However, Dudley was on the decline already because floorspace was not there. MHC resulted in 5500 jobs but few went to local people. Unemployment at time stood at 25%.

The Richardson Brothers sold the centre to Chelsfield who recognised problems with MHC and offered to work with the Council to improve the transport situation. Wanted to submit a planning application and offered to put £2m investment into tram etc. etc. This formed a partnership between Council and developer. PI app was approved but called-in and refused on basis of PPG6. There as a wider opportunity to regenerate a broader area – beginnings of the Brierley Hill Partnership. Solution was to link MHC with existing using new uses and re-classify area using Regional Spatial Strategy. Key issue is transport – Midland Metro scheme is important but still needs funding. Westfield, the current owners are putting funds in. Improved public transport will help tackle dominance of the car.

Behind Brierley Hill High St. a new LIFT Health Centre, partly funded by AWM, is being development. This is important as will bring people in (600 per day) in to the area, some of whom will also visit the shops. Shopping Centre owners are contributing £600k to this scheme recognising how valuable it is to them.

Westfield have put money into shop front improvements for existing High Street. Main problem with High Street is fall in expenditure generally.

### **Elements of success**

Importance of building expectations and aspirations for deprived areas e.g. National Youth Theatre development was treated with some scepticism initially given the reputation of the area.

Importance of linking transport with new development and public transport.

Need to encourage mixed communities e.g. the proposal to build housing for sale in Brierley Hill which has been taken up mainly by ABC1 people

Leisure uses are planned but don't make a return so are being packaged with a further phase of MHSC.

Jobs Centre Plus signpost centre opened. Also working with local community forum. Need to demonstrate to local people the benefits.

### **Key lessons:**

- Look for win-win – positive culture
- Need for transparency
- Consultation –not to the point of fatigue
- It all takes time
- Challenge perceptions with evidence base
- Need for communication between developers and planners
- Engage at all levels
- Have shared vision
- Small investment by developers brings big rewards

Planning system allowed holistic approach to be taken.

### **George Nicholson- NRPF**

NRPF started in 1996 in order to provide a better information base for public sector practitioners. Has membership from LGA, retail companies and consultants. Is a charity and run events e.g. bi-annual event on retail planning. Now also building up a comprehensive knowledge base prepared by University of Stirling. See [www.nrpf.org](http://www.nrpf.org)

## **Paul Murphy and Helen Smith, Leicester City Strategy Team**

Paul is from the Leicester Chamber of Commerce working on the City Strategy. Leiceser Regen Co started in 2001 and developed its masterplan in same year.

Leicester had undeveloped retail capacity for its size. Proposed £50m new shopping centre by Hammersons PLC and Hermes. Council invested £19m on new paving etc. Partnership working has been key.

Hammersons as developer are keen to promote partnerships and focus on linking to local need, upskilling, matching supply with demand and creating a win-win situation. Hammersons target local unemployed to create a pool of ready candidates as this helps employers who may be competing for new staff.

During a development Hammersons will establish a partnership e.g. Birmingham Bull Ring is now completed. There Hammersons worked with local community and employers e.g. recruitment bus, telephone line, employers held open days had cross city network. 2,600 people into jobs 52% from priority wards.

Leicester High Cross – Leicester Charter for Employment and Training in 2006 which commits them to targeting employment at local unemployed people and meet local employer needs. Over 2000 new jobs are being created as a result of the development.

Employment work will involve offering advice and guidance on job and training opportunities including signposting to the range of services available – will be above and beyond what JCP would normally do. Have layered on the existing City Strategy programme. DWP have picked the regional LCS as a pilot and given them £1.4m to get people off benefits and into work. Primary focus is on High Cross centre. Programme includes:

### Information days for prospective employees

- People will be case-loaded and given advice and training –including specialist AIG (advice, information and guidance)
- Marketing was put out to tender for mobile guidance and information which is linked to a database
- Are commissioning contracts with providers to link priority groups with new job opportunities (1220 jobs)

Main issue is getting agencies to work together. In future they hope that LAA and City Strategy will allow funding to be integrated.

Leicester is in a good location with young population etc.

But need to match need with new opportunities. Task is to sell benefits of local recruitment to local employers. Also working with schools, colleges etc. to sell benefits of retail employment. Want to provide 'retail-ready' employees

for employers. Advice and training providers need to understand what this means

Message for employers is that with 2000 jobs hitting the market demand will exceed supply.

Are trying to encourage employers to see individuals they will provide (only John Lewis has committed to this).

They will be monitoring process of candidate registrations and

There is a need to manage expectations of employers, communities and candidates.

**Q**

How far will employers be flexible e.g. need to pray.

**Response**

Yes this varies but aim is to be flexible where possible e.g. a prayer room.

Help from LSC – are marketing their programmes

**Q**

what about in-work training?

**Response**

Yes during 13 weeks are helping with upskilling.

**Q**

Are they selling retail employment?

**Response**

Yes are enthused about the message

## **Mop-up discussion**

### **What are the challenges faced at the local level?**

Need to be working in partnership –e.g. community, land owner, local authority, developer and also need to match the developers skills in order to get the 'win-win'.

Policy isn't missing but the guidance on how to apply it is

Concern with where we are with PPS 6 and new test (it was suggested that a revised PPS6 was 'imminent')

Yes to delivery through LDF but timescales don't allow this e.g. Masterplan, area action plan have to wait until the core strategy is ready. Although the view was given that it is possible to bring in AAP in if in conformity with Core Strategy. Having an RSS in place which does the right thing is a key factor.

Do some retailers see regeneration as a way around the planning system?

This agenda is more complex for IAs – they need more guidance to do this.

Nott Regeneration Co. is working with Las because many do not have access to skills or have resources to do this.

Concern with working with retailers. Necessary to work with them though as they can provide what is needed. Need to decide which to work with and what to ask for. Important to recognise what retailers are asking for.

There was a view that discussions have successfully focused on employment part of regeneration through retailing. There is also a need to focus on strategies for supporting existing businesses.

Problem in this Country is that planners do not have access to tools to support small businesses. Currently good practice is isolated and ad hoc.

Message is how to use the power of a brand as a catalyst.

What will impact test mean? It could be very complex to administer.

Aim now is to make sure that policy emerging from Government doesn't make the situation worse.