

# **Investigation by the Major Projects Overview and Scrutiny Panel**

## **Securing the Future of Small Shops**

### **1. Introduction**

Following a referral by the Council on 13<sup>th</sup> July 2006, the Major Projects and External Bodies Overview and Scrutiny Panel has undertaken a short investigation to determine what further areas of support should be considered to help support the viability of small shops and independent retailers.

### **2. Approach**

The Panel met to gather and consider information for their investigation on small shops. At their meeting the Panel:

- Received an introduction from John Betty, Strategic Director, Development & Major Projects, on the range of issues and the need for the public sector, including the Council, the retail sector and other private sector organisations to play a role.
- Received a presentation from Mel Clinton, Development & Major Projects - Interim Head of Economic Development, about the national picture, the retail sector in Bath and North East Somerset, and work to be undertaken as part of the Retail Strategy
- Heard verbal submissions from a range of representative bodies and a number of individual retailers.
- Considered written briefing from key service areas – Property Services, Revenue and Benefits, Policy and Partnerships and Planning.
- Considered the results of a questionnaire that had been circulated to retailers in advance of the meeting. (126 complete responses were received)

In addition, a number of detailed items are available as a record of the investigation:

- Notes of the public meeting on Tuesday 6<sup>th</sup> February 2007
- Contributor Statements and presentations
- Questionnaire results (attached at Annex B)

The request from Council asked that the Panel's investigation should specifically consider:

- How the Council can best support the future of small shops and independent businesses within the forthcoming Retail Strategy.
- How the Council can best support the viability of small shops and independent businesses through small scale initiatives (within existing budgets), such as improved access to information at these locations.
- How the Council can engage local business representation groups, such as the local chamber of commerce and Federation of Small Business and organisations promoting local sustainability, such as Envolve, to support the viability of small shops and independent businesses.

The following is a summary of the Panel's key findings and recommendations:

### **3. Key Findings**

Bath and North East Somerset boasts a wealth of independent shops and retailers and the Panel believes the Council should take a leading role, in partnership with others, to protect this eclectic mix for the benefit of local communities and the economy of B&NES.

It is the Panel's view that:

- In Bath the mix of independent shops lends the city its distinctive character and identity and is a pivotal part of the attraction of Bath as a visitor destination.
- Outside Bath, the high streets and shops in the authority's principal towns should be able to serve the immediate needs of local residents so they do not have to travel elsewhere to purchase staple products.
- In rural areas village and community-run shops can be the glue which helps hold communities together, offering much more than just the goods that they sell.

The Panel makes the following specific observations and recommendations which are grouped thematically:

#### **3.1 Social and Community Benefits**

3.1.1 The Panel acknowledges the valuable contribution that independent shops and retailers can bring to local communities, particularly in rural areas and villages across the authority.

3.1.2 Money spent by residents and businesses at local retailers is money that is more likely to be kept and recycled within the local economy. A toolkit devised by the New Economics Foundation has shown that purchasing goods

in independent retailers keeps money in the local economy “three or four times longer than money spent in multiples which in turn has a direct consequence on the local communities’ wellbeing”<sup>1</sup>.

3.1.3 As well as providing goods and services, small shops can be the only place in an area where people gather to meet, get access to information and feel that they are part of a community.

3.1.4

**R.1.** The Panel recommends that the Council should undertake further work to measure these social and often ‘hidden’ benefits that independent shops can bring. The use of a toolkit such as the “Happy Planet Index” devised by the New Economics Foundation to assess social, economic and environmental benefits will enable a more accurate picture of the value that such businesses bring. This will provide the evidence base which the Council should use to inform future policy decision making, including its own procurement strategy, in this area.

**R.2.** The Panel recommends that the Council undertakes work to look at ways of making better use of community shops in villages and subsidiary urban areas as a means of disseminating council information to residents.

## 3.2 B&NES Retail Strategy

3.2.1 The Council has appointed a specialist consultancy team to produce a retail strategy for the whole of Bath and North East Somerset. The retail strategy will include bespoke strategies for Bath, Keynsham, Midsomer Norton, Radstock and rural areas for the period 2006 – 2026.

3.2.2 Representatives from the lead consultancy were invited to attend the Panel’s meeting and the information gathered on the day will be taken into consideration by them as the strategy is taken forward.

3.2.3 The Panel considers in producing the retail strategy that:

- Consultation undertaken should involve all sectors of the independent retail sector, taking care to ensure that rural areas of the authority are fully included in the scope of this work.
- Consultation must draw upon and reflect the collective expertise, knowledge and experience of retailers in the authority who are familiar with the local market.

---

<sup>1</sup> p1 Contributor Statement – Envolve – 6<sup>th</sup> Feb 2007

The Panel recommends:

**R.3.** The strategy must have regard to work that is being carried out through the Bath and North East Somerset Vision process, paying particular attention to the emerging work in those areas outside of the City.

**R.4.** That officers in service areas outside Development and Major Projects, such as Transport and Highways, Planning, Property Services, Policy and Partnerships and Revenue and Benefits must be fully involved in the development of the strategy.

### **3.3 Small Business Support and Training**

3.3.1 Independent retailers and small shop owners, in particular those that are not members of representative trade organisations, can find it difficult to access relevant business support and training. This can be particularly disadvantageous for small start-ups and fledging enterprises. Clear and relevant information at an early stage can help new businesses avoid a number of obvious pitfalls.

3.3.2 There is an obvious role for the Council to enable access to and provide clear, relevant advice to this sector of the business community. 90% of respondents to the questionnaire said they did not know that B&NES already offers free business support and advice through the Economic Development team.

3.3.3 The Council cannot rely on retailers approaching us for information and help, nor can we be sure that when they do they are met with a positive willingness to help at a practical level. Therefore the Panel recommends that:

**R.5.** the Council needs to raise the profile of the advice it already offers, through its contract with Business West, its property enquiry system and the business website ([www.business-matters.biz](http://www.business-matters.biz)), working with partners such as the Chambers, FSB, Envolve and Community Action, to reach retailers.

**R.6.** the Council, led by the Economic Development Team, should explore alternative ways of reaching out to and communicating with independent retailers.

3.3.4 Property Services recently organised an evening seminar for council tenants on legislation affecting retailers. This was well attended and well-received. The Panel believes events such as these would be a useful resource for *all* retailers and not just those that are Council tenants.

**R.7.** The Panel recommends that events such as these should, in future, be open for *all* retailers to attend.

- 3.3.5 The Panel notes the excellent work being done by organisations such as Community Action to help support the viability of village shops and co-operatives and recognises the limited funding they have to carry out this service.

**R.8.**The Panel recommends that the Council investigate what further support can be given to Community Action and similar organisations and the programmes they offer.

- 3.3.6 The Panel commends the work taking place in a number of community shops in villages across the district – shops where local residents volunteer to staff and run their local shop.

**R.9.** The Panel recommends that the Council learns more about the value and benefits of these enterprises and establishes itself as a source of information and advice for those communities wishing to go down this route.

- 3.3.7 By the nature of their work and trading hours, independent retailers can find it difficult to take time away from their shops to attend meetings, training courses, workshops or seminars that would be of interest to them. In addition, the additional cost of attending such events can prove a deterrent.

- 3.3.8 **R.10.** The Panel recommends that the council should investigate the opportunities for opening up existing council-run training courses (e.g. on Health and Safety, computer skills and food hygiene) and allowing local, independent retailers access to this training, taking advantage of the economies of scale that could be realised.

### **3.4 Council Communications**

- 3.4.1 Many of the retailers that responded to the questionnaire and attended the Panel's meeting highlighted the difficulties they can encounter when trying to get access to information and advice from the Council. There is currently no one, obvious point of contact for retailers leading to confusion when trying to access information.

- 3.4.2 Two thirds of questionnaire respondents said that receiving advice and information from the Council was either very *or* quite important, yet only 10% of the same respondents were aware that the Economic

Development team are able to offer them free business support and advice.

3.4.3 **R.11.** The Panel recommends the Council should explore alternative ways of communicating with retailers, possibly via the establishment of an on-line forum/the Business Matters website, so that key messages can be passed through to retailers and enable them to share experiences and communicate amongst themselves. One single contact point for retailers in the Economic Development Team would act as a useful signpost service until such time as Council Connect is able to offer advice on all service areas in the Council.

3.4.4 The Panel welcomes the recent work by Marketing and Communications and the Development & Major Projects/Economic Development Team to develop a monthly electronic newsletter targeted specifically at the business community, including retailers. The Panel is keen that all relevant areas of the Council use this new service as a way of communicating with its customers.

3.4.5 **R12.** The Panel recommends that to strengthen the Council's understanding of the needs of its stakeholders, officers across service areas who routinely deal with issues affecting retailers (e.g. in Economic Development, Planning, Property Services etc) should spend time working alongside retailers, as part of a work-shadowing programme or exercise.

### 3.5 Public Realm

3.5.1 The Panel heard that a lack of signage, shabby boarded-up buildings on approach roads to Bath and litter on shopping streets can detract from the appeal of particular shopping areas. Retailers also cited the additional expense they must incur if they wish to use the Council's commercial waste collection and recycling facilities as these services are not covered by the commercial rates they pay.

3.5.2 This lack of signage to niche shopping areas combined with small retailer's difficulty in being able to afford advertising and marketing, can mean that smaller shops often lack the visibility of the larger stores and chains.

3.5.3 The Panel wishes to reiterate their observation contained in their Nov 06 report on the Future for Bath Vision that they do not believe the full thrust of the PTS O&S report on the Public Realm and its Executive response has yet embedded across service areas.

3.5.4 **R.13.** The Panel believes that the current Bath and North East Somerset Vision work provides the opportunity for closer working between the Council and Town Centre Management Groups to develop strategies to make shopping areas more user-friendly. As work on the Vision progresses the Panel recommends that enhancement of the public realm should be embedded in forward planning at the earliest opportunity, considering such models as the 'legible cities' toolkit that has been adopted by Bristol City Council.

### 3.6 Planning and Property Services

- 3.6.1 The Panel recognises that the proliferation of high street multiples and supermarkets threaten the viability of smaller shops and independent retailers and is concerned by the views of some contributors that Bath is already on its way to becoming a 'clone-city'.
- 3.6.2 Outside Bath the rising number of charity shops and take-away food outlets in certain high streets is recognised to have a damaging effect on the feel and prosperity of those shopping areas.

**R.14.** The Panel recommends that work should be undertaken to explore ways in which the Council can exercise influence on the diversity and distinctiveness of the retail mix.

- 3.6.3 The Panel heard from some retailers based in the City that they had experienced difficulty in accessing clear and timely information about what flexibility they have to in relation to the installation of measures such as burglar alarms and security shutters.

**R.15.** The Panel recommends that there should be clearer guidelines for retailers and landlords about the buildings they occupy so that they are aware from the outset of what the implications are of their tenancy.

- 3.6.4 The success and vitality of Bath and other towns across the authority is, to a large extent dependent on maintaining and strengthening the existing eclectic shopping mix. The Council should use its considerable influence as planning authority and its position as landlord to protect the use of retail property.

**R.16.** The Panel recommends that the Council should recognise that Best Value does not always necessarily mean the highest rent on an individual property.

**R.17.** The Panel wishes to be fully reassured that Property Services has adopted the principles laid out in the recently revised Code of Practice for Commercial Leases in England and Wales in respect of property in the Council's portfolio

3.6.5

**R.18.** In particular, the Panel recommends that as work continues on the regeneration and development of Southgate, the Council and its partners, Morley and Multi Development, should consider how best to ensure that the retail mix in this new development adds to the distinctive retail experience offered by Bath, complementing and adding to the City's strong independent sector.

- 3.6.6 Outside Bath, the Panel wishes to endorse the request by the Avon Local Council Association regarding Policy S.9 in the draft Local Plan. This policy states:

“outside the shopping centres defined on the Proposals Map, the Council will grant planning permission for the development of appropriately located, small scale local shops... provided there is no adverse effect on the residential amenity”

**R.19.** The Panel recommends that Policy S.9 in the draft local plan is carried forward into the both the adopted local plan and retail strategy and eventually into the Local Development Framework documents

### **3.7 Championing Small Shops and Independent Retailers**

3.7.1

**R.20.** In recognition of the important role that independent retailers play in communities across the district, the Panel recommends that consideration is given to the establishment of a Member Champion for Small Business within the Council.

### **3.8 Conclusions**

- 3.7.1 With the limited time available to them to consider this issue the Panel has had to take a high-level overview of the subject matter. The Panel believes there is more work to be done.

**R.21.** The Panel recommends that their observations should form part of the input into the Retail Strategy as it is developed over the coming months.

**R.22.** The Panel recommends that the Council needs to look at additional ways in which it can encourage and support the small independent businesses, which are in many ways the life-blood of our communities. This may be one way of contributing to the growth and employment that is needed to cope with the anticipated growth of housing over the next twenty years.



## Appendix A

During this investigation, the Panel considered a number of suggestions that were made by contributors and questionnaire respondents about what specific measures could be taken to help support their future viability. The Panel recommends that the new Executive considers these suggestions and investigates the feasibility of implementing all or some of them.

Solutions and Opportunities	Delivery Agent(s)
Improved communication between Highways Agency, Council and business community about road closures, roadworks and other major roads projects that impact of flows of traffic.	HA/B&NES/Trade Bodies
Further training for parking wardens to offer improved service and advice to customers	B&NES
Extend council-run training courses to independent retailers and small shop owners	Improvement & Performance/DMP
Creating one point of contact within Council for retailers as first port of call	DMP working with key service areas
Council to investigate potential delivery of its own services in small shops just as Somer Housing tenants are able to pay rent at shops that have Paypoint terminals.	B&NES – R&B, DMP
Council to consider its own procurement in terms of purchasing locally produced goods and services in terms of full meaning of Best Value and not just cost.	B&NES
Trial of late opening hours in Bath to help promote the evening economy.	B&NES, Chamber, Retailers, Local Press
Improved information for new businesses seeking information on markets, footfall and premises	DMP
Change from quarterly collection of rents to monthly collection on properties owned by the Council, as appropriate	B&NES/Property Services to investigate with R&B and LS
Installation of notice boards in carparks with information about local shops with opportunity for local shops to advertise in this space.	B&NES/DMP to investigate possibility of implementing

### Key:

B&NES – Bath and North East Somerset Council

DMP – Development and Major Projects Team

R&B – Revenue and Benefits Team

LS – Legal Services

HA – Highways Agency

