

Bath & North East Somerset Council

MEETING	Corporate Policy Development & Scrutiny Panel	
MEETING DATE:	23rd November 2020	EXECUTIVE FORWARD PLAN REFERENCE:
TITLE:	Task & Finish Group Report on Commercial Markets	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: none		

1 THE ISSUE

1.1 The Panel will be provided with a summary report on the findings from the Commercial Markets Task & Finish Group meeting on the 9th September 2020.

2 RECOMMENDATION

The Panel is asked to;

2.1 Note & discuss the key findings from the work of Task & Finish Group and consider the next steps for this work.

3 BACKGROUND

3.1 The objective of the session was to look at the future market environment for the Councils three main business sources of income:-

- Heritage & Tourism
- Parking
- Commercial Estate

- 3.2 The group considered the likely market drivers across a longer time frame and discussed the impacts of the Corona virus and the implications of the Climate Emergency Plan to reduce the number of cars coming into the city and its potential impact on the Councils parking income.
- 3.3 The next steps discussed at the panel meeting will be reported to the Cabinet Member for Resources and considered as part of the future budget process.

4. REPORT

Summary of the key points raised during discussion

4.1 Heritage & Tourism

4.2 The perception of Bath as a tourist destination is that even though we are a small city we are 'easy to engage with'. Bath is also a bucket list destination and has UNESCO status. In terms of the existing offering there is a long-term view that people are likely to return in the short to medium term and in the long term there is likely to be an ongoing demand. However, what people want from their visit is always changing as each new generation comes through. The concern noted was that the Covid19 Pandemic could have accelerated changing patterns of demand which is vital that we understand and adjust to.

4.3 Traditionally 40% of our visitors to the city are international. However, the recovery of this sector is currently impacted by the requirement to quarantine for 14 days. Our International students could be used as a springboard for international recovery, as parents choose the city to visit children studying here. However, what will be the long-term impact on travel from factors such as the fear of Covid or similar health issues and or the impact of Climate Change measures on air travel? There is a need for a better understanding of the data in order to shape and develop the city's tourism offer.

4.4 The city has traditionally been on one of the most popular coach trips itineraries within the UK (Windsor, Stonehenge and Bath). The question for the Task & Finish Group (T&FG) and the Council's Recovery Board, is to consider that although these groups may bring volume and short-term revenue they do not typically stay overnight and thereby do less to support the local economy e.g. our restaurants etc.

4.5 Reference was made to the fact that as the Millennial generation comes through, they have different expectations for their visit to the city as compared to the now older generation. This segment of the market broadly seems to want more of an experience, possibly well-being based and are prepared to pay for this. There is an opportunity to explore the development of high margin products for Bath – perhaps returning more to the 18th century model and the spa experience rather than purely heritage. Even in terms of heritage, interpretation using the digital/virtual reality technology looks set to be demanded as standard by younger visitors.

4.6 The T&F Group noted the difference between the vibrant nightlife of Bristol compared to Bath where there is less choice and where what is on offer is perhaps more targeted at students.

4.7 Key Considerations

- ❖ **Given the size/value of the Heritage market in Bath, it was concluded that urgent investment is needed in both primary and secondary research. Rather than focus simply on who is coming to visit today, it was concluded that it was vital to understand trends going forward 5 and 10 years. This would hope to identify who isn't coming now and why and who will be the visitors of the future. Within this we need to understand the impact/benefit to the local economy in terms of issues already noted such as:**
 - **The number of day visitors / compared to overnight stays.**
 - **Why people do not come to Bath and,**
 - **Why visitors do not choose to move beyond the city boundaries**

The T&F Group seeks to identify currently available information in the first instance such as data that could be provided from the Bath Business Improvement District (BID) and possible future support from The Destination Management Organisation (DMO).

- ❖ **Through understanding the future trends in Heritage and Tourism and viewing it as a business, we can explore and develop high margin products. such as the wellbeing of the Millennial age group for Bath. (developing experience packages)**

4.8 Parking

4.9 The T&F Group recognised that the Council needed to rethink parking income in the light of Covid19 in the short term and climate emergency measures in the medium to long term. What was needed was to find efficient solutions for the transition of travel within Bath before we make changes to existing provisions and develop a more attractive offer. For example, exploring the links into future intelligent mobility and encouraging a seamless journey or package that people don't have to manage separately. It is also about looking at the proposals being developed with WECA and the Joint Local Transport Plan to expand and improve our existing Park & Rides

4.10 Within the next 12-18 months, the current Clean Air Zone (CAZ) plans do not include cars. Co2 levels are still rising, even after the blip during the COVID period. This is still an issue both locally and regionally.

4.11 Key Considerations

- ❖ **The need to see parking as part of the wider integrated transport/travel solution rather than simply an income stream. Where the core offering element is still literally parking a vehicle e.g. with Park & Ride the service needs a thorough review in terms of the offering and what is offered – e.g. later operating times to cover the late-night economy.**

- ❖ **Exploring the use of tariffs and charges to change travel behaviour. For example, the revenue from the proposed increased cost of residents Parking permits and charging for the most heavily polluting vehicles could be invested back into services that we deliver.**

4.12 Commercial Estate

4.13 The Council has 1200 assets grouped as our Operational Estate, Commercial Estate, and Prime Investment Estate as well as other producing and miscellaneous assets.

4.14 In terms of the various elements the T&F Group focused on the retail industry which is going through a period of rapid change - accelerated as a consequence of COVID. This has resulted in a shift in culture and behaviours towards the preferred choice of online purchasing. The retail industry recognised that it needed to respond and understand the importance of providing the right retail experience during this time.

4.15 The T&F Group recognised that the retail experience is not only online, and it is important to understand the physical interventions that can support that experience linked into our Heritage offer both in Bath and our rural towns. The Group discussed the link between Tourism/ Heritage and our Commercial Market, recognising that If we can increase our overnight visits, it will also promote the economic recovery within retail.

4.16 Key Considerations

- ❖ **More research would help to understand the cultural and behavioural shift in retail and help to formulate any future retail experience package.**
 - **Which sectors of our high street can offer that experience?**
 - **How can we make our high street a place that you want to visit?**
- ❖ **It is important that we understand the different sectors of our city to encourage unique characteristic activity for these areas.**
- ❖ **The future is about linking all these market sectors together**

5. STATUTORY CONSIDERATIONS

5.1 None

6 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

6.1 Resource implications have been identified as part of the report's findings and will be determined as part of the ongoing development of this work.

7 RISK MANAGEMENT

7.1 none at this stage, however a risk assessment related to any identified issues and recommendations will be undertaken, in compliance with the Council's decision-making risk management guidance.

8 EQUALITIES

8.1 An Equality Impact Assessment should be considered as part of any ongoing proposals moving forward.

9 CLIMATE CHANGE

9.1 The implications of the Climate Emergency plans were considered as part of the discussions surrounding the Councils parking Income.

10 OTHER OPTIONS CONSIDERED

10.1 n/a

11 CONSULTATION

The Cabinet Member for Resources has been consulted prior to the workshop and sent a copy of this report, as well as the Section 151 and Monitoring Officer.

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Background papers	<i>None</i>
Please contact the report author if you need to access this report in an alternative format	