

ROTHERHAM BOROUGH COUNCIL – REPORT TO CABINET

1.	Meeting:	Regeneration Scrutiny Committee
2.	Date:	24th November 2010
3.	Title:	Development of town centre retail
4.	Directorate:	Environment & Development Services

5. Summary

This report details activity undertaken in the town centre during 2010 to attract investment and improve the vitality and viability of retailing in Rotherham town centre. Details are provided on the physical development of the Renaissance Programme. It also includes information on business development activity including key live enquiries and the promotion of Rotherham town centre as a place for retailers.

6. Recommendations

1. Panel members note the actions taken to develop retailing in the town centre and support the approach adopted.
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7. Proposals and details

Current health of the town centre

Over the past 20 years Rotherham town centre has been subject to changing national retail and leisure trends and the more localised impacts resulting from the growth of Meadowhall Shopping Centre and Retail World. More recently the economic downturn has impacted on the vitality of high streets up and down the country and independent analysis from organisations such as the BBC and Experian suggest that further challenges lie ahead as the government implements a programme of austerity measures to reduce the national debt.

The town benefits from a large and mixed profile resident base that is predicted to grow but analysis of shopping patterns shows that the town centre is out of sync with its customer base. Rotherham town centre currently attracts only £1 out of every £10 spent by Rotherham residents. In particular it is missing out on opportunities to satisfy demand from mid-market and mid-market affluent residents. Attracting more shoppers from these customer groups is a realistic aim but it will require strong and continued commitment from the council, businesses and partners to promote and support change.

Revitalising the town centre has been a regeneration priority for the council and the local strategic partnership throughout 2010. Despite the difficult development climate, the Renaissance Programme has continued and a more focused business development approach linked to a newly developed and innovative package of support for new and existing businesses has helped attract thirty four new names to the town centre including high street names such as The Works, Toymaster and B&M Bargains. The improvements to cleaning standards implemented by Streetpride and initiatives such as free Saturday parking have also been an essential part of the mix. More detail of the activity undertaken is provided later in this report.

Customer needs

It is not easy to change perceptions – particularly among those who do not use the town centre. However there is a potential to attract new customers including those with higher spending power, if the offer is right.

To strengthen Rotherham's role as a shopping destination, it is necessary to create a differentiated offer which is complimentary to nearby centres. This can be achieved by targeting a gap in quality niche retailers alongside recognised national outlets and supplemented by a strong cultural and leisure offer.

From talking to national retailers and their agents, we understand the following are important factors in securing their attention:

- Commitment, support and guidance from the Local Authority – a number commented positively on the proactive approach of Rotherham Borough Council in having a Retail Investment Team
- Varied units of different sizes all within high-footfall areas
- National stores prefer to be positioned near to national stores

- Continued parking incentives would encourage a number of nationals to review the case for a store in Rotherham town centre as well as Meadowhall
- A significant number prefer market towns and see a benefit in the high levels of footfall the Indoor Market and weekly street markets bring to primary shopping streets
- A good leisure offer encouraging dwell time and therefore likelihood of increased spend.

Small independents and start-ups have similar interests but there is greater opportunity to influence their location decisions through the quality of business support and advice, particularly “aftercare”, rental and fit out incentives, and support with advertising and promotion.

Consultation with shoppers has been carried out through a variety of methods including 400 Shopper Surveys completed in 2009 and household and resident surveys. This is supplemented by feedback from retailers through one to one visits and retailer surveys. Research identifies three main customer groups visiting the town centre. Each customer group has its own set of needs and requirements but all want more choice and variety, a family friendly environment, better children’s facilities, improved catering and an easy and convenient shopping experience. The needs of the three groups are summarised below:-

Mass Market Value Customers	Lower Mid Market Customers	Mid Market, Affluent Shoppers
<ul style="list-style-type: none"> ○ Looking for more choice ○ More national retailers ○ Better family facilities 	<ul style="list-style-type: none"> ○ Looking for more choice ○ More clothing, ○ A better supermarket, ○ An improved children’s offer ○ Better car parking ○ An easier and more rewarding shopper experience 	<ul style="list-style-type: none"> ○ Looking for more choice ○ More and better quality clothing ○ Better supermarket, ○ Improved children’s offer ○ An easier and more rewarding shopper experience

Activity undertaken during 2010

Physical Development

A progress report on the delivery of physical development in the town centre is attached at appendix 1. Key updates to note include

- Completion of 2 new buildings via Iliad/RMBC and the refurbished Imperial Buildings
- Minster Square (All Saints’ Site)
- Redevelopment of the Railway Station
- Community Stadium

Business Development

The Team has implemented a proactive approach to securing investment into the town centre using lessons learned from RiDO's wider inward investment activity. Direct contact with retailers with known requirements or a customer profile that matches Rotherham's demography has proved very successful along with networking with intermediates such as property agents.

As a result the team has a strong pipeline of live enquiries including:-

- Affordable clothing and lifestyle products retailer selling clothes and home ware for the entire family through over 200 stores across the UK.
- A retailer of perfumes and associated products
- A restaurant chain operating corporate stores and franchise stores
- Major frozen food retailer
- One of the UK's leading young clothing brands.
- A gentleman's outfitters.
- Two major coffee chains
- Five major national stores interested in the units within the Interchange mall area

Shop Local

Shop Local was launched in 2010. The campaign aims to encourage people to shop locally by raising awareness of the distinctive offer of the town centre. Customers are incentivised through a loyalty card scheme that gives access to discounts on goods and services from participating retailers. The scheme uses a range of promotional and advertising media and techniques and provides a framework to draw together all town centre activity and promotion.

Over 9,000 shoppers and 99 Businesses have signed up to the scheme since its launch.

Business Vitality Grants

The package aims to help attract new, specialist independent retailers to set up business through financial contributions towards both rental & capital improvement costs. The grants contribute 50% towards the first years rent and 25% in year two with up to 75% (£7,500 max) contribution towards fit-out costs.

The grants are available to eligible businesses that choose a unit within the town centre boundary with a rent of less than £25,000 per annum.

The businesses are required to work with a business coach and develop a business plan. Eleven grant offers have been made and nine of those businesses are now operating. The scheme has successfully improved the retail offer filling gaps identified by shoppers and bringing units back into use.

Shop Front Improvements

This grant package aims to improve the overall street-scene and raise the quality of individual shop frontages. It provides a great way for businesses to improve their competitiveness by creating a quality shop frontage and entrance. The scheme offers up to 75% (£7,500 max) towards improvements to independent businesses and 50% (5,000 max) to national businesses – both tenants and property owners can apply.

Expressions of interest have been received, the first six properties identified and schemes are being worked up. The available funding allows the project to address approximately ten properties.

Street café grants

This package offers leisure operators in the town centre up to £2,000 to spend on street café furniture including tables, chairs, parasols and barriers. The aim of this scheme is to provide uniform, high-quality street café furniture to improve the overall street scene and encourage a café culture atmosphere. One café has already been granted and funding is available for up to a further ten.

Parking Incentives

The parking incentives for 2010/2011 included free after 3pm parking Monday – Friday and Free all day Saturday parking in any council-run car park or on-street parking bay. The Free after Three ceased in October and free Saturday parking will continue until Christmas.

Feedback showed that both footfall and takings have increased on Saturdays but there was less impact from free after three. 85% of respondents to a recent survey town centre business survey highlighted free Saturday parking as beneficial.

Improving the Appearance of Vacant Units

A scheme aimed at improving the visual appeal of the town centre and animating vacant spaces, reducing the negative impact that empty shops have on both shopper and business confidence. Eleven vacant units in the core town centre area have had either vinyl graphics applied promoting the town centre or an internal window display introduced. Commissioned artwork also took place on Westgate Chambers, High Street and Howard Street. The Old Market building was also transformed into space for art and performance workshops as well as live performances and events as a result of the project. Further work includes issuing of section 215 notices to property owners and gaining internal access to bring vacant units back in to use for community purposes.

Events

An events programme was held throughout the year consisting of specialist markets such as the Garden Lovers' Fayre and popular favourites such as Rotherham by the Sea. The events team and budget also supported the purchase of a stage and enabled businesses to hold four ACT events throughout the year promoting the offer in the town centre. The Christmas events programme has been confirmed and as

well as the Christmas lights switch-on, Santa's grotto and real reindeer parade, new events will add to the programme. Festivals around the World will celebrate different cultures as well as host a Christmas Craft Market. A ghost walk has also been introduced and a new event involving a dress-up assault course and various workshops. A popular event was also held last minute in the town centre to celebrate the local football team going to Wembley – this received positive national TV coverage for the town centre.

Safe and Welcoming

Staff resources within the Council and Police have been pooled to ensure one team is delivering a safe and clean environment. Street cleansing equipment has been renewed and a new cleaning regime was introduced to increase the amount of street cleansing taking place on primary shopping streets. The Business Against Crime's Radio Links scheme reported a 20% drop in shoplifting last year. Added to this the Police have adapted staff rotas to ensure Wardens have a presence in the town centre at reported problem times of the day (early evenings).

Retail Training

Subsidised training courses have been offered by the council to key businesses in the town centre. The courses are delivered by the Source and make up the Mary Portas Queen of Shops training school. Courses included topics such as customer service, marketing and visual merchandising aiming to improve the existing standard of offer in the town centre.

Next steps

Targeting the national offer and their key agents:

- Targeted distribution of investment information packs to retailers and agents
- Direct contact with key decision makers within retail organisations
- Strengthen relationships with agents representing national stores with a view to attracting them to the town centre
- Arranging visits for specific retailers with suitable requirements
- Work more closely with Planning Services to ensure properties fit the needs of national stores looking to come to Rotherham
- Early stage approaches to key retailers when there are potential losses to the town e.g. lease terms coming to an end.

Targeting the independent offer:

- Continue to roll out the Business Vitality Grants Marketing campaign to encourage a continued high level of enquiries from niche quality independent retailers.

Monitoring and maintaining the health of the town centre:

- Establish a Retail Trading Index – monitoring trading trends amongst a sample of representative retailers to measure overall performance of the town centre

- Review impact on footfall resulting from town centre events and marketing initiatives and investigate other methods of measuring the success of Council investment.
- Continued account management of key businesses
- Improve quality of aftercare offered to successful Business Vitality Grant applicants
- Continue actions to improve the appearance of empty shop units

12. Finance

The council's investment in strengthening the town centre is funded from a number of different sources including the departmental core budgets, Rotherham Economic Regeneration Fund (RERF), Local Area Agreement (LAA) Reward Grant, Local Authority Business Growth Incentive (LABGI), Yorkshire Forward and the Heritage Lottery Fund. Future budget allocations are under review and the council's ability to sustain the level of activity delivered this year will need to be considered by members in budget discussions.

13. Risks and Uncertainties

Rotherham town centre has performed well during the last year in a very tough economic climate. However, the town is by no means immune from the wider impacts of the recession and independent research suggests that it is towns such as Rotherham that are at greatest risk from public sector spending cuts. If job losses in the public sector are not matched by a growth in private sector employment then the loss of spending power within the local economy is a risk for the sustainability of town centre businesses.

Strengthening of the out of town retail offer – new development outside the town centre draws spending power away from the town and affects the viability of the town centre. Current and recent examples include

- Parkgate expansion
- Aldi – Fitzwilliam road
- Netto – Eastwood
- Restaurant at Catcliffe
- Northfield (adjacent new B&Q)

14. Policy and Performance Agenda Implications

Improving the town centre is a priority for both the council and the local strategic partnership. Due to a lack of national names and pre-conceived assumptions attraction of new retail and leisure investment into Rotherham town centre needs a "hands on" approach. Rotherham Borough Council is currently the main organisation with the skills and resources to promote the town and encourage inward investment. Other inward investment agencies such as UKTI have a national focus and will not promote retail opportunities within the town centre. Local business organisations do

not have experience or in house expertise to take on this activity. The onus falls on the council via the Retail Investment Team to lead in this area.

15. Background Papers and Consultation

Town Centre Retail and Leisure Study – Colliers CRE & the Retail Group – January 2010

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Appendix 1 – Renaissance Update

Imperial Buildings (site 2)

The building is complete and the residential element operating at full occupancy. Since the last Regeneration Panel in April a further three retail units have opened for business and another two units (café and travel agents) have signed leases but not yet opened. Four remaining units remain available to let.

Weirside Site (site 4)

Due to the loss of funding from Yorkshire Forward, the Council have been unable to proceed with the plans to deliver a public realm scheme (with undercroft parking). Officers are now seeking to establish whether the site can be developed for alternative uses. A report will be submitted to the Cabinet Member seeking approval to test the market to see whether there is any appetite from the private sector to bring forward high quality development proposals.

Flood Alleviation Scheme

The works to remove the River Don Bridge was successfully completed in May 2010.

Chantry Bridge

This project will improve flood defences to the town centre through the raising of the river wall s adjoining Chantry Bridge. A planning application will be submitted in November following a round of public consultation. Subject to planning permission being granted works will commence in February 2011. The contract will take 26 weeks to complete.

Railway Station

Works commenced in February 2010 and were initially programmed to complete in January 2011. Early delays in the programme resulted in the SYPTTE reporting an April completion date and this is likely to be extended to July 2011 as a result of unforeseen structural problems within the station complex. At the time of drafting this report SYPTTE have not yet officially revised the completion date but have confirmed that they will be issuing a formal notice shortly. Works to the "environs" around the station are still programmed to dovetail with completion of the station refurbishment.

Townscape Heritage Initiative

Hambys Shoe Shop, The Little Coffee Shop and Zak`s Hairdressers

Works have now been completed on this scheme.

No. 20 High Street

The development of two one bed apartments and a new retail unit was completed in April 2010. One of the apartments was occupied on completion and it is expected that the retail unit will open as a soft furnishings business early in 2011.

Snafu Bar

Planning permission was granted for the restoration of the original features to both front and rear elevations. The Heritage Lottery Fund have approved the project and funding. A contractor has now been appointed and subject to the owner signing the funding contract works will commence at end of November 2011.

Essoldo Chambers

Planning permission was granted in March 2009 for a replacement shop front, upper floor windows and a new pitched roof. A grant funding application was approved by the THI Partnership on 1st November 2010, which has been forwarded to the HLF for final approval. Following submission of tenders for the works a contractor has now been selected. Subject to receipt of HLF approval in December, it is anticipated that works will commence early in the new year.

George Wright Building, The Three Cranes and Alfonsos

The Council had agreed a price to acquire these properties from the liquidator and had submitted a business plan to Yorkshire Forward . However, because of the public sector funding cuts grant funding for this scheme is no longer available. Under the circumstances the Council are therefore unable to proceed with the purchase of these properties and they currently remain on the market.

All Saints Minster Churchyard

Works are ongoing and are programmed to be completed in December 2010.

All Saints (Minster) Square

It is the Councils intention to fund this project from a cocktail of funds (LABGI, Local Authority Reward grant and Working Neighbourhoods Fund) and deliver a pocket park on the site. The park will comprise a significant soft landscaping element in its design to keep costs down without reducing design quality. Plans have been drafted and local businesses consulted. The responses to the plans have been very positive. Planning permission for the park will be submitted in November 2010. Works are programmed to commence in January 2011 and completion is programmed for July 2011.

Civic Centre

When the new Council Offices are built and occupied, the Civic buildings (Norfolk House and the Civic Offices) will become redundant. Heads of Terms for the sale of the land to the developer TCN were agreed in early 2010. Legal negotiations are now well advanced for the sale of the site to enable a potential new Tesco

superstore to be built. Subject to agreements and planning it is expected that development will begin in the summer of 2012 following completion of the new Council Offices and demolition of the old civic buildings.

Community Stadium

On 24th February Cabinet agreed terms for the acquisition of the former Guest and Chrimes site from the owner Evans of Leeds. The purchase from Evans completed on 24th September 2010. The acquisition was funded from the Local Authority Award Grant and RMBC. The purpose of the acquisition is to provide a site for Rotherham United to build a Community Stadium. The club has appointed their professional team and have now submitted a planning application. Officers are currently negotiating the commercial Heads of Terms for the grant of a long lease from the Council to the club.