



<b>Report to:</b>	Development Committee
<b>Subject:</b>	Review of support for retail sector
<b>Date:</b>	18 March 2014
<b>Reporting Officer:</b>	John McGrillen, Director of Development, ext 3470
<b>Contact Officers:</b>	Lisa Toland, Economic Development Manager, ext 3427

<b>1</b>	<b>Relevant Background Information</b>
1.1	The Development Committee at its meeting on the 20 June 2013 approved a range of support for the retail sector in the city – focused on neighbourhood retailing – and agreed that an evaluation of existing and previous council support for the sector should be undertaken in advance of any additional funding being provided in future years.
1.2	Members will be aware that Belfast City Council supports businesses through a range of mechanisms and across a number of its services. In recent years the Economic Development Unit (EDU) has taken a lead in developing a targeted programme of support for a number of sectors, including the independent retail sector, based on business improvement, market development and enhancing footfall.
1.3	The EDU-led programme of activity for the independent retail sector is now entering its fourth year. The current programme contains a range of interventions around targeted business start-up and growth, product development support and networking and promotion activity.
1.4	In order to evaluate the impact of the work to date and to identify the proposed approach for future interventions, taking account of ways to maximise the impact of the council's intervention, an independent evaluation was commissioned in December 2013. This evaluation has just been completed and the findings are presented in this report, alongside recommendations as to a proposed way forward for council support for retail.

<b>2</b>	<b>Key Issues</b>
2.1	The current retail action plan contains a range of activities including:  <u>Business development support</u> - Master classes and best practice visits: 5 master classes have been

	<p>delivered to date, involving 70 Belfast retailers</p> <ul style="list-style-type: none"> <li>- Tailored mentoring support: 10 retail businesses have availed of this support</li> <li>- Visual merchandising support: Belfast City Council undertook a joint initiative with interior design students from the University of Ulster to support 8 local retailers to re-design their shop front.</li> </ul> <p><u>New retail and product development support</u></p> <ul style="list-style-type: none"> <li>- Market start up programme including pop up facility: this programme is currently supporting 20 participants to establish their own food or craft business, providing them with test trading opportunities alongside mentoring and workshops. The pop up shop facility was open from the 27<sup>th</sup> February to 9<sup>th</sup> March at Queen Street Studios on Bedford Street.</li> <li>- Introduction to retail programme – this programme is currently supporting 8 participants to develop the skills needed to establish a retail unit, providing them with test trading opportunities alongside mentoring and workshops. All 8 participants plan to set up in business.</li> </ul> <p><u>City-wide retail networking and promotion</u></p> <ul style="list-style-type: none"> <li>- Retail forum and information seminars: two meetings of the retail forum took place, chaired by the Chair of Development Committee. Attendees included traders’ groups, BCCM and NIIRTA.</li> <li>- Area Development support for traders groups: this providing funding for activities aimed at driving footfall to an area as well as enhancing the area’s profile and supporting the sustainability of the group. This year 7 traders associations have drawn down support totalling £79,000 against a budget of £160,000. Examples of activities supported include; seasonal events, the production of marketing materials, design and print of newsletters, PR activities and consultancy support.</li> </ul> <p>2.2 The terms of reference for the evaluation work included the following objectives:</p> <ul style="list-style-type: none"> <li>- To quantify the overall benefits and impact of retail support activities for previous two financial years and assess the effectiveness of the individual element of the programme against objectives</li> <li>- Make recommendations as to how current activity might be improved</li> <li>- Consider how council support for retail businesses can be better coordinated</li> <li>- Consider how impending structural changes might impact on the council’s support for retail businesses</li> <li>- Identify possible future areas of focus for the council to support the retail sector in Belfast, including an assessment of the financial implications of this activity.</li> </ul> <p>2.3 The first stage of the evaluation analysed the quantitative impact of retail support and the extent to which targets were achieved. The second stage of the evaluation analysed the qualitative impact achieved through consultations with representatives from local traders associations, key stakeholders such as NIIRTA, BCCM, Belfast City Council Officers as well as participants who took part in retail programme activity.</p> <p>Key findings from this research have identified;</p> <ul style="list-style-type: none"> <li>- Business development interventions enabled through the retail programme and delivered by contracted delivery organisations are efficient and effective and have met or exceeded targets set</li> </ul>
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	<ul style="list-style-type: none"> <li>- Retail development programmes funded by council are high in cost relative to other business development programmes because they do not attract EU funding leverage and are therefore funded 100% by council</li> <li>- The funding of Traders Associations through Economic Development is the only such “umbrella body” type funding that exists</li> <li>- The funding process for Area Development Support (to trader groups) lacks the rigour evident in other support interventions, given the difficulties in identifying local needs, base lining and benchmarking, objective and target setting</li> <li>- The priority needs identified through the engagement with Traders Associations are significantly wider than the support available from the council’s retail support interventions (e.g. parking issues, graffiti, refuse collection)</li> <li>- While most Traders Associations are now charging a membership fee, they are still not sustainable at present – albeit that this was one of the original imperatives of early council intervention in these groups.</li> </ul>
2.4	<p>The evaluation also explored a wider range of issues impacting on retail support which has identified the following;</p> <ul style="list-style-type: none"> <li>- ERDF and Invest Northern Ireland funding is not available for retail focused interventions. This means that the financial implications of funding this activity reside solely with Council. Engagement with invest NI and EU programmes has confirmed that this will continue to be the case for the new round of EU programmes (and that the match funding support for other business development activities will be up to 80% of eligible project costs)</li> <li>- Direct business development support (mentoring, business workshops) can be delivered through the wider programme of support provided by the Economic Development Unit</li> <li>- The neighbourhood-based nature of local area interventions such as (but not confined to) Traders Associations require a more joined-up approach which integrates support such as physical, environmental and infrastructure improvement. Channelling these through the Economic Development unit and focusing on marketing and promotional support only is somewhat at odds with broader needs identified by these groups</li> <li>- There is a need for internal Belfast City Council co-ordination to optimise the channelling of council resources to businesses, including retail</li> <li>- The BIDs, Area Based Working, Neighbourhood Renewal and Community Planning processes present opportunities for the council to provide leadership to ensure that the totality of areas’ needs (including those of retailers and traders) are addressed holistically.</li> </ul>
2.5	<p>In analysing the broader policy context, the evaluation also identified the following issues:</p> <ul style="list-style-type: none"> <li>- The draft Integrated Economic Strategy (IES) does not identify retail as a “sector” requiring specific intervention. The strategy points out that contemporary policy is moving away from footfall- boosting approach</li> </ul>

	<p>(with an emphasis on promotional interventions) towards a broader view of how best to accommodate other usage within cities and localities such as office, leisure, education, tourism etc.</p> <ul style="list-style-type: none"> <li>- Reform of Local Government (RPA) means from 2015 it is likely Belfast City Council will have an enhanced Neighbourhood Renewal role. Traders in specific neighbourhoods should benefit if this role is delivered effectively in a way which co-ordinates, integrates and targets council resources.</li> <li>- The BIDs process presents an opportunity for area-based development with businesses as investors (therefore making this a more sustainable approach) agreeing a range of local activities and initiatives that can be delivered with an emphasis on the totality of that area's needs (e.g. footfall oriented promotions, business development support, environmental improvements, infrastructure improvements such as car parking etc.)</li> <li>- The Local Investment Fund has an area based emphasis. There is potential to build on its current delivery by more strategically linking the needs of local areas (including those of retailers) to resources and funding streams.</li> </ul> <p>2.6 An executive summary and full list of recommendations have been attached as Appendix 1 for Members' consideration. Some of the key recommendations emerging from the report are as follows:</p> <ul style="list-style-type: none"> <li>- Direct business development support for retailers (such as programmes aimed at improving competitiveness) can be funded through economic development on a discretionary basis and have some strategic validity</li> <li>- Area-based interventions such as (but not confined to) Traders Associations should not be resourced uniquely through Economic Development given that the neighbourhood-based nature of these require a more joined-up approach which integrates support such as physical, environmental and infrastructure improvements. This involves the delivery of wider council services (such as building control, environmental health, street cleansing, commercial waste etc) as well as other agencies (Roads Service etc.)</li> <li>- There is a need for a much more structured, rigorous and strategic process for traders support which starts with needs identification, SMART objectives, production of a structured implementation plan and robust monitoring and evaluation to assess efficiency and effectiveness/impact of delivery. At present, there is limited capacity within the groups to undertake this activity and analysis</li> <li>- The BIDs, Area Based Working, Neighbourhood Renewal and Community Planning processes present opportunities for Belfast City Council to provide leadership to ensure that the totality of areas' needs (including those of retailers and traders) are addressed holistically. Clearly this role requires development and is beyond the scope of the economic development section.</li> </ul> <p>2.7 Taking account of these findings, it is recommended that the following approach</p>
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	<p>is adopted regarding council support in the coming financial year:</p> <ul style="list-style-type: none"> <li>- There is significant rationalisation of support, with business growth support channelled through the Economic Development Unit's generic business growth programmes (and therefore eligible for match funding support from EU)</li> <li>- Area development support for traders' groups is pared back to a level of up to £5,000 funding available without any match funding being offered by the group and up to a further £5,000 available if they can provide evidence of £ for £ match funding (i.e. a total maximum contribution of £10,000 from council). There should be a deadline for applications, with no applications for support accepted after end August 2014</li> <li>- There should be no commitment to area development support beyond the current year and work should be undertaken within the council to consider how area support can be incorporated within wider area-based support across the council</li> <li>- There should be a budgetary commitment for start-up and product development activity, based on evaluations of the current activity as well as best practice from other locations</li> <li>- The retail forum should be retained as a vehicle for engagement with local groups, with consideration given as to how this can be incorporated as part of wider area working activities as well as council's engagement with the private sector</li> <li>- Consideration should be given to how BCCM (and other partners) can be used as a conduit for better engagement with retail businesses in the city centre as well as exploring opportunities for addressing challenges such as vacant properties for retail use.</li> </ul>
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<b>3</b>	<b>Resource Implications</b>
	<p>In order to deliver these activities, it is recommended that a budget of £120,000 be set allocated for the financial year 2014-2015. This includes:</p> <ul style="list-style-type: none"> <li>- £80,000 for trader group support</li> <li>- £40,000 for targeted start-up and product development activity.</li> </ul>

<b>4</b>	<b>Equality and Good Relations Considerations</b>
	No specific equality or good relations considerations attached to this report.

<b>5</b>	<b>Recommendations</b>
	<p>Members are asked to;</p> <ul style="list-style-type: none"> <li>- Note the executive summary of the retail evaluation report in Appendix 1</li> <li>- Note the proposed approach to support identified in 2.7 above</li> <li>- Agree that future consideration should be given to a co-ordinated programme of activity within Council linking in with area working groups and other initiatives to ensure effective delivery of service and avoid duplication.</li> </ul>

<b>6</b>	<b>Decision Tracking</b>
Timeline: March 2015	Reporting Officer: Lisa Toland

<b>7</b>	<b>Key to Abbreviations</b>
BCCM – Belfast City Centre Management IES – Integrated Economic Strategy NIIRTA – Northern Ireland Independent Retail Trade Association	

<b>8</b>	<b>Documents Attached</b>
Appendix 1 - Executive summary – retail evaluation report	