

Appendix 1

Evaluation of Belfast City Council Retail Programme

Summary of Key Findings and Recommendations

March 2014

1. Context

Brendan Smith Consulting was commissioned to undertake an independent evaluation of Belfast City Council's retail programme and has focused on the following key aspects:

- Quantification of the overall benefits and impact of the EDU-led retail support activities for financial years 12/13 and 13/14 (activity currently under way)
- Assessment of the effectiveness of each of the programme elements vis-a-vis their original objectives
- Identification of reasons why activities may not have achieved original objectives and make recommendations as to how these might be improved
- Consideration of how council support for retail businesses can be better coordinated, including identifying programme content and proposing appropriate internal management structures
- Consideration of how impending structural changes might impact on the council's support for retail businesses
- Identification of 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
- Identification of what the key drivers of council support for the sector should be, taking account of the broad range of statutory, regulatory and discretionary functions of the council.

2. Evaluation Methodology

The consultants have applied a mixed approach to delivering the evaluation assignment involving:

- (a) Desk based analysis of all programme documentation
- (b) Face to face consultation with a range of stakeholders, including:
 - Businesses benefiting from support
 - Key organisations such as the Ni Independent Retail Association, Belfast City Centre Management, Belfast Retail Forum
 - Focused interviews with Traders Associations across the city
 - Engagement with contracted delivery agents
- (c) On-going liaison with council officers
- (d) Production of initial summary findings
- (e) Production of comprehensive final report.

3. Key Findings

(a) Essentially the term “retail programme” is a misnomer in view of the extent to which non-retail businesses receive support, for example those involved in business-to-business operations and Trader Associations with significant numbers of non-retail members (which is reflective of the mix of businesses in the neighbourhood commercial areas)

(b) The business development interventions enabled through the retail programme and delivered by contracted delivery organisations are efficient and effective and have met or exceeded targets.

They are well managed with positive participant feedback from participant businesses testifying to their quality, particularly in terms of helping businesses to become more competitive. The programmes are:

- Master-classes, Workshops and Best Practice Visits
- Tailored Mentoring Support
- Visual Merchandising Support
- Market Start Up Programme
- Introduction to Retail Programme

(c) The Retail Plan is something of an anomaly set against the other economic development support offered by the council, given that it is the only such sector specific form of support enabled through economic development and it is not identified as a growth sector within the draft Integrated Economic Strategy (IES)

(d) The policy rationale for council providing targeted support to the retail sector development is somewhat weak. Belfast City Council is one of the few councils that directly funds retail support and such support is not provided by Invest NI on the basis that there is a relatively high displacement factor and low economic added value (for example the absence of export potential).

(e) 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. Other programmes are co-funded so that council is committed to contributing 25% of delivery costs.

In addition funding provided to the retail sector is seen as disproportionately high, given the sector’s lower strategic importance with funding allocations having increased over time to a level that cannot be seen as sustainable.

(f) There is no direct support provided to larger retailers (e.g. national chains) although council provides core funding for Belfast City Centre Management (BCCM) to undertake a range of support functions for businesses in Belfast city centre (of which there are a significant number of retailers)

(g) Traders Association Funding

The funding of Traders Associations through economic development is the only such “umbrella body” type funding that exists.

Consultation with the associations has established that council support is valued and a range of local activities have usefully been delivered as a result of council support. There are however, several key issues for council to consider:

- Consultation with the associations identified their priority needs as being related to issues such as car parking, retail mix, street cleanliness, public realm. These issues are not those relevant to support from council’s Retail Programme and point to associations requiring wider support from council and other agencies.
- Support for Traders Associations through a “Retail Programme” dilutes the impact specifically on retail businesses due to many member businesses not trading as retailers (e.g. numerous business-to-business members – average around 60% of businesses are retail, 40% are non-retail)
- There are signs that the Associations have a reliance on council and are not sustainable at present, for example through significant levels of self-funding of activities. Consultation with associations points to trend whereby a small number of people are being relied on to deliver the bulk of work and that there is still a dependence on consultancy support to develop and deliver targeted activities
- Capacity levels are, in the main, low. This is exemplified by the low take-up rate of available funding. For example only 48% of funds made available by council to associations in 2013/2014 was drawn down and used (information correct as at 06 March 2014)
- Most activities funded through the traders associations are oriented towards footfall generation (e.g. events, marketing campaigns). These could possibly be funded under other council services (e.g. Community Festivals Grants)

These activities also have considerable negative displacement implications with shoppers drawn for short periods from one part of the city to another.

- The funding process lacks the rigour expected from typical local development process, for example there should be a basis of robust local needs identification, benchmarking, objective and target setting within a monitoring and evaluation framework. At present, many of the organisations are not in a position to provide this information and do not have a view as to the realistic impact of the interventions that are being funded

(h) Positioning of support for ‘neighbourhoods’ through the work of the Economic Development Unit, such as Traders Associations, constrains the extent to which council can actually help businesses trading in these neighbourhoods for several reasons:

- There are other ways in which council supports retailers and traders:

- Engagement with food retailers by Environmental Health and Building Control on licensing issues etc.
- Access to council's generic economic development support programmes
- Support for World Host training for retail businesses (as well as wider hospitality businesses)
- Targeted street cleansing and commercial waste services
- Support for physical improvements on designated arterial routes through the Renewing the Routes programme
- Marketing campaigns and street animation activities to encourage additional footfall in targeted retail areas.

There is though, a clear lack of co-ordination of these supports. Improved co-ordination could ensure more resources are achieved and delivered efficiently for areas in which businesses trade

(i) There are pertinent policy context issues which have to be considered when evaluating the relevance of current retail support and which should also guide future support:

- I. The draft Belfast Integrated Economic Strategy (IES) does not identify retail as a "sector" requiring specific intervention. The strategy points out that contemporary policy making is moving away from footfall boosting approach (with an emphasis on promotional interventions such as events, marketing etc.) towards a broader view of how best to accommodate other usage such as office, leisure, education, tourism etc. Whilst this is articulated in respect of the city centre there is a relevance to retail support in other neighbourhood locations which can be viewed as suburban trade centres.
- II. The reform of Local Government means that, from 2015, Belfast City Council will have an enhanced Neighbourhood Renewal role. Traders in specific neighbourhoods should benefit (as will community organisations and residents) if this role is delivered effectively in a way which co-ordinates, integrates and targets resources.
- III. 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.
- IV. The Business Improvement Districts (BIDs) process presents an opportunity for area based development with businesses as investors (therefore more sustainability) whereby an agreed range of local activities and initiatives 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, retail mix etc.)

4. Recommendations

In light of these findings, the following recommendations are made:

1. Direct business development support for retailers (such as programmes aimed at improving competitiveness) can be funded through economic development on a discretionary basis and has some strategic validity.

The council should though, recognise that these programmes are relatively expensive and thus offer relatively low value for money because they are not eligible European for co-funding.

2. Area based interventions such as (but not confined to) Traders Associations should not be positioned within the Economic Development Unit, given that the neighbourhood based nature of these require a more joined-up approach which integrates support such as physical, environmental and infrastructure improvements which involves the delivery of wider council services (such as building control, environmental health, street cleansing, commercial waste etc) and other agencies.

Consultation with the associations identified their priority needs as being related to issues such as car parking, retail mix, street cleanliness, public realm. Needs identified beyond these were related to footfall boosting which can have negative displacement issues.

3. However Traders Associations might be supported by council, there is a need for a much more structured, rigorous and strategic process 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.
4. 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.

There is a need for internal council co-ordination to optimise the channelling of council resources to businesses, including retail, trading beyond the city centre. This could be considered on an area basis, adding value to current area based working.