



Subject:	NI High Street Taskforce and Future City Centre Programme
Date:	11 <sup>th</sup> November 2020
Reporting Officer:	Cathy Reynolds, Director of City Regeneration and Development
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<b>Restricted Reports</b>	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Some time in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

<b>Call-in</b>	
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
1.1	The purpose of the report is to: <ul style="list-style-type: none"><li>- Advise Members of proposals by the Northern Ireland Executive Office in relation to a High Street Task Force.</li><li>- Seek agreement to reinforce the need for Belfast City Council to be represented on this, to help address the challenges faced by the city centre and recognising Belfast's role as the regional economic driver.</li></ul>

	<ul style="list-style-type: none"> <li>- Advise Members on some of the issues impacting on the city centre and to note the ongoing work undertaken in developing the Future City Centre Programme to help respond to these challenges.</li> </ul>
<b>2.0</b>	<b>Recommendations</b>
2.1	<p>Members are requested to:</p> <ul style="list-style-type: none"> <li>i. Note the proposals by the Northern Ireland Executive Office (TEO) in relation to an emerging High Street Task Force and a request from TEO for the Council to engage with a reference group that is being created in advance of the High Street Task Force.</li> <li>ii. Agree that the Council respond to TEO confirming agreement to engage with the reference group but to also highlight the importance of being part of the High Street Task Force on its formation. This will include reinforcing the importance and criticality of Belfast as the regional economic driver and the need for a focused and resourced approach in addressing the challenges faced by the city centre.</li> <li>iii. Note the emerging impacts on the city centre due to the COVID-19 pandemic.</li> <li>iv. Note the update in relation to the Council's Future City Centre Programme and the intention to bring a further detailed report back to Committee on the priority areas of focus within this.</li> </ul>
<b>3.0</b>	<b>Main report</b>
	<b><u>Background</u></b>
3.1	<p>The retail and business landscape of the city centre is undoubtedly challenged and already there are a number of well-known high street brands and department stores with presence in Belfast either entering into administration or calling in financial restructuring experts to negotiate leases with landlords. This obviously has a much wider economic impact across all sectors, supply chains and rates income for the city.</p>
3.2	<p>Retail will be one of the most challenging sectors, along with hospitality and tourism, for recovery as the fundamental challenges faced pre-COVID-19 still remain an issue and indeed have been exacerbated with the increase use of online shopping. A proactive response is required to support businesses, SME's and independents to ensure the resilience of the city centre as a whole. However it is recognised that retail will not be the only casualty as we emerge from the COVID-19 pandemic as the tourism and hospitality industry in particular is suffering significantly.</p>
3.3	<p>In June 2020, a collective of various public and private bodies jointly called for the Northern Ireland Executive to establish a High Street Taskforce to provide support to businesses</p>

<p>3.4</p>	<p>through the revitalisation of towns and cities across Northern Ireland. The call requested that businesses and central and local government work together collectively to deliver on much needed regeneration, provide business support, devising economic interventions and to tackle key issues faced by town and cities in the wake of the Covid-19 pandemic.</p> <p>In August 2020, the Executive agreed that a cross-departmental High Street Taskforce should be established to consider and address the key issues affecting businesses. This work is being undertaken by The Executive Office (TEO). Following an approach by Council officers to TEO highlighting the importance of Belfast Council being represented on this, TEO have recently responded outlining that Ministers are keen to move ahead on the Task Force proposals and plan to initially convene a reference group including a range of government departments and key stakeholder bodies. They have advised that it is intended the reference group will transition into the full High Streets Taskforce. At this stage the proposed membership of the reference group is as below although TEO have highlighted this is not the final membership of the taskforce, and does not preclude membership by the Council when the full Taskforce is formally established.</p> <ul style="list-style-type: none"> <li>• Retail NI;</li> <li>• Hospitality NI;</li> <li>• Confederation of British Industry (NI);</li> <li>• NI Chamber of Commerce;</li> <li>• NI Institute of Directors;</li> <li>• NI Local Government Alliance;</li> <li>• Department for Communities;</li> <li>• Department for the Economy;</li> <li>• Department of Agriculture, Environment and Rural Affairs;</li> <li>• Department of Finance; and</li> <li>• Department for Infrastructure.</li> </ul>
<p>3.5</p>	<p>TEO has asked the Council to confirm their willingness to engage with this reference group and to confirm if the Council wishes to be part of the full Taskforce when it is established. The reference group is to develop terms of reference for the Task Force and advise on additional membership and thereafter make recommendations to the First Minister, deputy First Minister and the Executive later this month.</p>

**Key Issues facing Belfast City Centre**

- 3.6 Belfast is the economic driver for the region. The Regional Development Strategy 2035 specifically recognises the need to enhance the distinctive role of Belfast City Centre as the primary retail location in Northern Ireland.
- 3.7 However, over recent years the retail sector in Belfast, like many other cities across the UK and Ireland, have suffered challenges from changes in consumer behaviours, the desire for enhanced experiences on the high street to convenience and online shopping are trends which are impacting the traditional bricks to mortar retail. The onset of the COVID-19 pandemic has accelerated these changes and could see retail and other sectors contracting even more.
- 3.8 As of week commencing 19<sup>th</sup> October, the change in footfall levels in Belfast city centre (BID One District) is 35% down on the previous year. And so far, for the year to date, footfall is 43.5% from last year as the public adhere to government guidance on social distancing and the extensions of new Covid-19 restrictions.
- 3.9 The Office for National Statistics indicate the UK online retail sales experienced strong growth over the pandemic and in August 2020, the proportion of online spending was at 28.1% with clothing and household goods performing strongest and across all sectors, with online sales at significantly higher levels than last year.
- 3.10 The Council is currently undertaking its annual health check of the city centre and district centres across the city. Health checks comprise a number of indicators such as vacancy and diversity of use which can be utilised to establish trends and evidence to progress particular policy direction.
- 3.11 Early data shows the current vacancy rate for the city centre Primary Retail Core sits at 22% which is up 4% from last year. Whilst this survey was taken at a point in time in early Summer 2020, it is a further indicator of the challenges faced by the city centre. Some well-known high street brands which have been a familiar presence in Belfast for years have either scaled back on operations and closed stores or have gone into administration and ceased trading.
- 3.12 As an indicator, vacancy figures provide a snapshot on occupancy levels in the city centre but can be ambiguous as it doesn't reveal the factors behind a unit being vacant. For example, the level of retail churn with the number of units commercially advertised (i.e. to

	<p>let or for sale), the size of the unit, units that are wrapped up in major development schemes and units used for temporary means such as meanwhile use or pop ups. Further research and analysis is currently being undertaken and a future paper will be presented to Committee in the coming months.</p>
3.13	<p>The impact of reduced office workers has also had a knock-on effect on footfall and businesses in the city centre. Office workers provide a large amount of footfall and trade to retail and hospitality businesses in the city. It is envisioned that continued or increased restrictions on movement will mean footfall will take longer to return to any 'normal' levels.</p>
3.14	<p>Belfast drives tourism across the region due to its attractive offer as a city break destination and business tourism destination. According to Northern Ireland Tourism Alliance (NITA), the tourism industry supports around 20,000 jobs in Belfast and enjoys 40% of regional tourism spend. The tourism sector is largely seasonal with around 60% of its revenues earned between April to November. NITA estimate the lockdown period (March to June) resulted in over £300m in direct visitor spend being lost to the NI Economy. The potential loss to 2020 visitor spend based on the Visit Britain estimates that the tourism industry in Northern Ireland could be facing losses of over £600M from overnight trips, a decrease of 70% on the estimated 2019 spend. In addition, 80% of staff are on part and full time furlough, 50,000 jobs are at risk with redundancies already made across the sector and there has been a significant knock on effect to supply chains.</p> <p><b>Future City Centre Programme</b></p>
3.15	<p>Members will be aware that the Council have a Future City Centre Programme (FCC) that builds on the key findings and recommendations outlined in a previous retail analysis report undertaken by Pragma Consulting on behalf of the Council. The priorities of the Programme are being recast in the context of COVID-19 and taking on board recommendations from the High Street Task Force in England.</p>
3.16	<p>The objective is to ensure that it addresses not only challenges to the retail sector but the city centre as a whole. It is linked to the ambitions of the Belfast Agenda and Belfast City Centre Regeneration and Investment Strategy and is charting a way forward for diversification of uses, enhanced connectivity, investment and inclusive economic and cultural growth. The FCC Programme is integral to the deliver to the Council's Recovery Programme and establishes six cross cutting and inter-dependent pillars aimed at creating a dynamic, vibrant shared city centre where people will want to live, work and invest.</p>

3.17	The key areas of focus are illustrated in the diagram attached at Appendix 1, all of which require cross-cutting collaboration across Council and wider city centre stakeholders. A further report will be brought back to Committee on this with detail on the various priorities.
3.18	It is considered that this Future City Centre Programme forms a sound basis for priority areas of focus for the city centre, both in the shorter and longer term and could be an important tool for discussions in the context of the proposed High Street Task Force.
3.19	There is a pressing need, now more than ever to plan ahead with our city partners and central government to ensure a joined up and collective approach to help facilitate the recovery of the city centre.
3.20	Given the significant challenges impacting on the city centre it is imperative therefore that the proposed High Street Taskforce moves forward at pace but with appropriate authority and resources to make impactful decisions to roll out immediately. Members are being asked to agree to the Council's response to TEO confirming agreement to engage with the reference group but to also highlight the importance of being part of the High Street Task Force on its formation. This will include reinforcing the importance and criticality of Belfast city centre being the regional economic and tourism driver in Northern Ireland. Within the context of the emerging High Street Taskforce it is considered that there needs to be focused approach in addressing the challenges faced by the city centre as it drives a programme of recovery for Belfast and indeed the wider region.
3.21	<p><b><u>Finance &amp; Resource Implications</u></b></p> <p>There are no finance or resource implications associated with this report.</p> <p>City centre businesses have a key role in the economic sustainability of Belfast and the wider economy and the rates base from the city centre represents a significant source of income for the Council.</p>
3.22	<p><b><u>Equality or Good Relations Implications/Rural Needs Assessment</u></b></p> <p>The Future City Centre Programme is a high level regeneration plan. The significant projects taken forward within the plan will be screened in their own right.</p>
<b>4.0</b>	<b>Appendices – Documents attached</b>
4.1	<p>Appendix 1: Future City Centre Programme Schematic Diagram</p> <p>Appendix 2: Belfast City Centre Primary Retail Core (Transitional Period Plan Designations)</p>