



RetailNI

Standing up for
Independent Retailers

Regeneration NI

Creating 21st Century Town and City Centres

**NEW THINKING
FRESH LEADERSHIP
AMBITIOUS INITIATIVES**



“The wholesale change needed to revitalise our town centres and give them a fighting chance of survival will only come, however, when there is an acceptance that the old order of things is crumbling before our eyes. We still rely on old models that are not fit for the 21st century and this is holding back change.”

Grimsey Review, 2018





INTRODUCTION

For nearly twenty years, Retail NI and its membership have been champions for our town centres and high streets, bringing forward new ideas and policy solutions to decision-makers at all levels of government.

Our members are entrepreneurs who provide an important service to their local communities and believe in real and genuine partnerships with their local Councils. They champion strong, vibrant and diverse town centres, which are in themselves, centres of both retail and hospitality excellence.

We have already successfully lobbied for the introduction of the Small Business Rate Relief Scheme, the Town Centre First Planning Policy, legislation for Business Improvement schemes, five hours for £1 off-street car parking discount and much more.

The theme of this report is regeneration and how to create 21st century town and city centres. With the Local Government Elections in 2019, we believe it is time to update our policy priorities and introduce some new ideas.

I look forward to engaging with members, stakeholders and political representatives across Northern Ireland in the months ahead, asking for their support to initiate the process of regenerating our high streets, regenerating our workforce, regenerating our infrastructure and regenerating our political structures.

A regeneration of ideas and approaches is as important as a regeneration of physical assets and resources.

Glyn Roberts
Retail NI Chief Executive

(1) CREATING 21ST CENTURY TOWN CENTRES

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The growing use of technology in retailing is not necessarily a threat to the high street. Bricks and mortar retailers must embrace it, in a joined up way and with on-line/ in-store/supply chain teams working together to drive efficiencies, reduce costs and improve service.”

Turleys

Radical thinking is required to be injected into the policy-making process. Too many of our villages, our towns and our cities are testament to a failure in regeneration policy to date. For the past 15 years, Northern Ireland has not only had the highest shop vacancy rate in the UK, but nearly double the UK national average.

As the Centre for Cities said recently:

“The most effective way for the Government to support high streets is to help cities overcome their weak economic performance. An empty high street is a sign of a lack of economic activity, without the spending power and footfall to keep amenities open. So to help the high street, policy must focus on improving the performance of the broader city centre economy both directly through improving commercial space and public realm, and indirectly by raising the skills of the cities’ workforces.”

Instead of looking at the massive amount of empty shops in our town centres as just derelict buildings, let’s be ambitious and see them as the new retailers and small businesses of the future.

RETAIL NI POLICY PRIORITIES

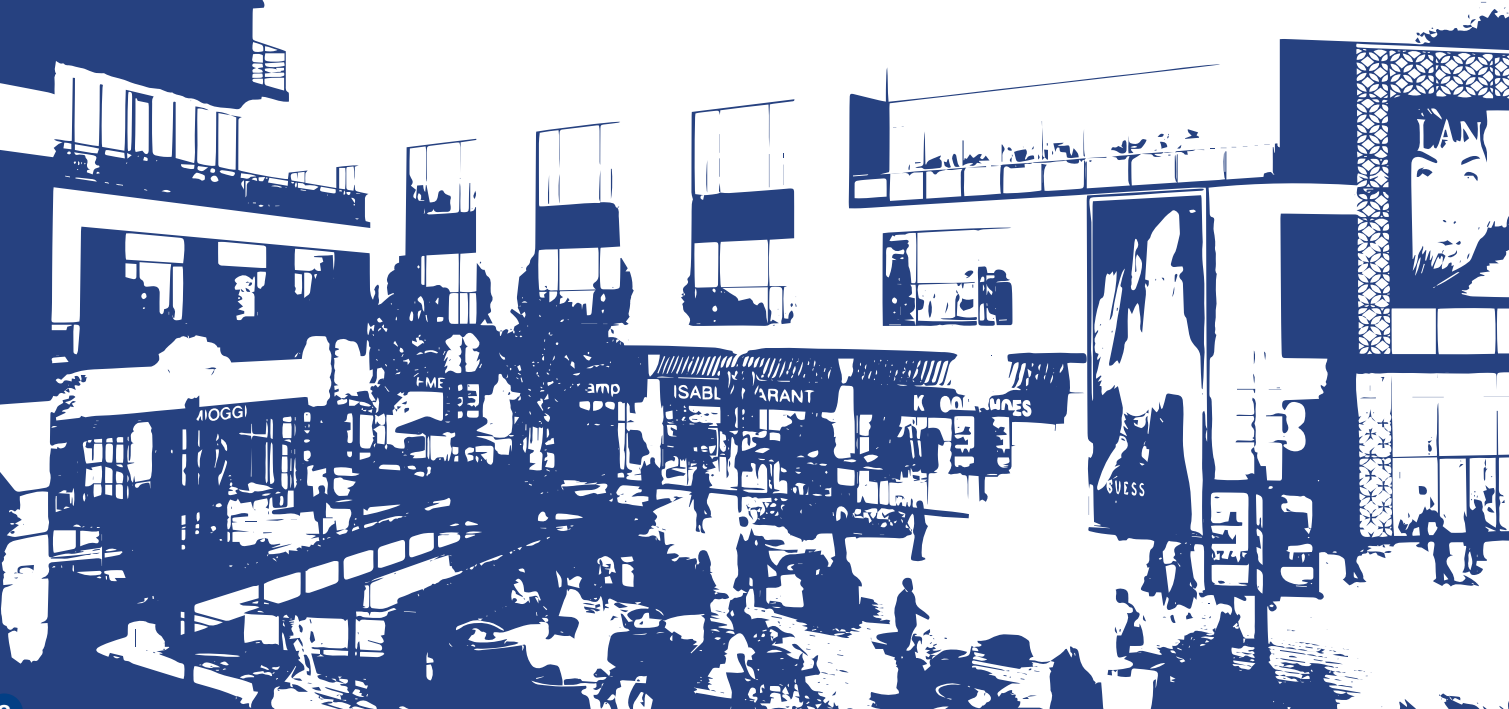
- A Northern Ireland Towns and Cities Partnership to manage and coordinate town centre regeneration policy, made up of representatives from the Department for Finance, Infrastructure, Communities, Economy, the eleven Local Councils and key business organisations.
- Upon taking office in 2013, Mayor of Los Angeles Eric Garcetti launched a “Great Streets Programme”. Recognising that streets are a city’s largest public asset, he has delivered substantial investment, built partnerships with communities and provided grants to transform under-utilised assets into vibrant spaces that reflect the unique character of their communities. This should be adopted by our Local Councils.

- All Councils to adopt a comprehensive Shop Vacancy Strategy. This should be put in place with targets and six-month progress reports.
- Councils to produce tailored Retail Development Plans for every town centre.
- The eleven Councils to put in place common Key Performance Indicators to measure the economic health of each of their town centres and publish their findings on an annual basis.
- Councils to establish Town Centre Retail Incubator Units in vacant shops to encourage start up retailers and provide affordable rents and marketing support for the first year.
- Town centre/high street plans must encompass an eco-system approach to town centre regeneration, incorporating health, housing, education, arts, entertainment, business/ office space, manufacturing and leisure, whilst developing day-time, evening and night-time cultures where shops are just a part of the total plan.
- Councils must invest in smart technology strategies to ensure that town and city centres are integrated closely with the latest marketing and information tools to enhance the customer experience.
- The UK Government created Town Teams as an outworking of its Portas Review. However, as a result of devolution this did not extend to Northern Ireland, reinforcing once again the need for a fully functioning Executive to make decisions on important issues such as this. We would welcome the creation of Town Teams across Northern Ireland, each focused on regeneration. This would be a collaborative partnership made up of local businesses, government and other stakeholders.
- We campaigned for, and supported, the introduction of Business Improvement Districts (BIDs) to Northern Ireland. They have proven popular in Belfast and in other towns and we want to see many more established across Northern Ireland.
- Improvement Districts are the next generation of BIDs. This new concept is expected to ‘take a leading role in improving local economic conditions and deliver an agreed package of investment and initiatives over and beyond that delivered by local and national government’. We welcome this development and believe that this model could be adopted in Northern Ireland, perhaps as a collection of existing BIDs or as the development model for a town or village.
- Local Councils and the Department for Infrastructure to freeze the cost of car-parking for the next five years.
- The introduction, by the Department for Infrastructure, of one-hour free car-parking in Belfast, Newry and Lisburn city centres.

(2) ADAPTING AND DIVERSIFYING

Since our establishment in 2000, Retail NI has worked directly with all Local Councils in Northern Ireland. We are the only business organisation working across all eleven Councils, contributing to each of their consultations on Local Development Plans and assisting our members with planning and town centre issues. Retail NI was the also the first business organisation to support City Deals for the Belfast Region and for Derry/Londonderry and Strabane.

We want to see empowered Local Councils, leading change in partnership, working and delivering for their local communities and the economy.



In January 2019 the Northern Ireland Assembly will have reached two years without meeting in ministerial form, which has led to a public service delivery crisis. Retail NI supports the NI Affairs Committee's key recommendations from the 'Devolution and Democracy in Northern Ireland – Dealing with the Democratic Deficit' report of May 2018:

“When the Executive is restored, the Committee recommends that an Assembly Committee be set up to review local government finances and devolved powers. If the Executive is not formed within 12 months of the publication of this report, an independent review should be commissioned by the Secretary of State”.

RETAIL NI POLICY PRIORITIES

- We fully support the call of the Northern Ireland Local Government Association (NILGA) for Councils to gain additional powers covering regeneration, City and Growth Deals, all car parking, more economic development powers and resources, neighbourhood services, winter maintenance, emergency planning and local roads maintenance.
- We want to see responsibility for on-street car parking and minor road maintenance devolved to the eleven Councils. Councils will then have overall control of their car parks and can shape a strategy which works best for their respective town and city centres.
- We welcome the progress of the Belfast Regional City Deal and the green light for the Derry-Strabane Deal. We want to see more effective mechanisms for local retailers and other key businesses being more involved in the decision-making of these Deals.
- A priority must be given to assisting the remaining Councils developing their own City Deals.
- Given the important role that the retail sector plays in the local economy and supporting town centres, each Council should appoint a Retail Champion at Director level. This person would be the key point of contact and be responsible for driving a retail development strategy in their Council area.
- Many other cities and towns across the world have directly elected Mayors who give leadership and get things done. An independent study should be established to look how this could operate on a fair and impartial basis in Northern Ireland's divided community.
- Local Development Plans (LDP) must be aligned with any future Programme for Government produced by an incoming Executive; in fact, the core aims of the PfG must reflect the already constituted LDP ambitions, where possible.
- Local Councils and Further Education Colleges to establish Retail Academies in each Council area. Their remit would be to develop skills and training programmes to grow the sector for retailers and their staff teams. They would also have a central role in supporting the next generation of independent retail entrepreneurs.

(3) BUSINESS RATES – A BLIGHT ON BUSINESS

Fixing our broken and antiquated system of Business Rates is vital.

Reforming business rates is now a much higher priority than ever before for Retail NI members and needs to be addressed by an incoming Executive. The Rethinking Business Rates proposals presented by the last Finance Minister, which were based on ideas put forward by Retail NI and Hospitality Ulster, need to be a top priority.

It was announced in the recent UK Budget that English independent retailers would be receiving a rate reduction of one third, with our members in Northern Ireland receiving absolutely nothing. Retail NI members deserve the same as their English counterparts.

71% of our members saw an increase in their rate bills following the last revaluation in 2015. This cannot be repeated in 2020 and we would urge LPS to learn from their mistakes of 2015.

RETAIL NI POLICY PRIORITIES

- Retail NI and Hospitality Ulster produced a plan on how to improve upon the Small Business Rate Relief Scheme which was received well by the then Finance Minister. We would like to see the implementation of this plan which adopts a targeted approach for the independent retail and hospitality sectors. The plan has the support of thirty business organisations representing retail, hospitality, manufacturing, food and pharmacy. In addition, Chambers of Commerce from right across Northern Ireland have also pledged their support.
- Directly assisting our independent retail and hospitality sectors is in line with existing rate relief for manufacturing and agriculture. Not only will this rate relief scheme be beneficial for many existing independent retail and hospitality businesses, it will potentially assist new businesses in our sectors with a substantial rate reduction, helping reduce their start-up costs. Businesses will have the confidence to reinvest the money that they will save on their rate bills and use it to hire new staff, further skills' training and plan for the future.
- The Empty Premises Rate Relief Scheme's qualifying period to be reduced from 12 to 6 months.
 - The Empty Premises Rate Relief first year 50% rate reduction to be extended further to year two with a 25% rate reduction to provide further support to the new business.

- The relief system to reward business investment through time-limited exemptions for new store developments and allow businesses to offset their capital investment against rates bills.
- In line with a recommendation by the Barclay Review in Scotland, Retail NI supports the concept of a 'Business Growth Accelerator', aimed at boosting business growth, and encompassing a twelve-month delay before rates are increased when an existing property is expanded or improved, and also before rates apply to a new build property.
- Again, looking to Scotland, Retail NI recommends a new power be given to enable Councils to impose an additional modest rate levy from 2020 for out-of-town rate-payers. The proceeds would be ring-fenced to support ratepayers in town centres (streetscape improvements, promotions, additional security measures etc.) Retail NI agrees that should such a scheme be considered in Northern Ireland, it should be tested as a pilot scheme and subject to a formal evaluation to determine whether those pilots were successful prior to any further rollout.
- The London-based New West End Company estimates that 'if just 1% tax was placed on online business revenues over £5 billion could be raised each year. This would allow the government to cut business rates by an average of 17.5%, at no cost to the Treasury'. This needs to be actively considered.
- The UK Government's announcement in its 2018 Budget that the rate bills of small retailers with a rateable value of £51,000 or less will be cut by one third, is essentially a game changer in terms of business rates. We accept that this is a devolved matter, however, we believe that it must be applied to Northern Ireland-based small businesses. Anything else would be inherently unfair and would severely disadvantage local firms..
- We urge Local Councils in Northern Ireland not to increase business rates next year in order to boost local business confidence and improve the financial viability of many of our town and city centres.
- We welcome the introduction of the Digital Service Tax and urge the Treasury to use the £400m it will raise to reduce business rates across all parts of the UK.
- The Rates Hardship Fund is decades out of date and needs urgent reform. This should include a much more flexible approach to rates hardship, including qualifying businesses that can demonstrate serious loss of revenue as a result of public realm or other major disruption.

(4) IMPACT OF TECHNOLOGY

“It took policy makers in the UK the best part of a century to respond to the major skills challenge and introduce universal education. We cannot afford to make the same mistakes and fail to prepare our communities for a major technological challenge.”

Grimsey Review, 2018

RETAIL NI POLICY PRIORITIES

- Technology evolves quickly, and retailing is one of the most vulnerable sectors to disruptive technologies and consumer trends. The ‘clicks and bricks’ strategy is well documented and whilst this may work well for large retailers, we need a new ‘Tech’ strategy for small independent retailers who are more unique, customer-focused and localised by nature.
- We must also consider the new generation of retail entrepreneurs who have been raised on technology. This generation will further erode the physical store format and this must be taken into account when future scanning industry needs.
- Ensure business support agencies prioritise technology/social media skills as part of their training/workshop programmes.
- We believe there is a critical role for Local Councils to adopt a Smart City Strategy to assist local retailers with the technology to support both businesses and customers. This will involve collaboration between different agencies – planning, heritage, transport etc. as well as retailers themselves and private providers, such as internet companies, advertisers etc.
- Our town and city centres do not have the benefit of many of the street technologies, which are evident in other parts of the UK. We understand that some providers are keen to bring these technologies to Northern Ireland and this should be supported by Local Councils.



(5) A NEW DEAL FOR OUR RURAL COMMUNITY

Northern Ireland's rural community is a crucial contributor to its economy and wider social fabric. Many of our finest independent retailers have rural roots and remain central pillars in their communities to this day. Many of our best suppliers are rural enterprises.

RETAIL NI POLICY PRIORITIES

- Urgent upgrading of our rural high-speed broadband network. Whilst the £150m funding secured by the Conservative/DUP Confidence and Supply Agreement is welcome, it must be used effectively to realise additional economic benefits for local SMEs.
- A review of rural transport connectivity must be a priority for any incoming Executive. It is also essential that public transport within rural areas is sufficiently funded.
- An incoming Northern Ireland Executive must develop a new Rural Business Strategy, with retail at its centre, and which would encompass the many opportunities to better market our fantastic rural landscape and food offering.
- A Rural Town and Village Infrastructure Fund to be established to ensure our mid-sized towns and villages are not left behind.



(6) TOWN CENTRE INFRASTRUCTURE AND PUBLIC REALM

Retailers are often the most seriously affected by infrastructure projects, most often road works, which have become commonplace on roads and streets right across Northern Ireland. It is often a case of recognising the work is needed so it is welcomed; there is also the acceptance that some level of disruption is inevitable. However, the harsh realities of retailing mean that loss of trade, even for a short period of time, impacts upon cash flow, which is majorly important to a small business.

RETAIL NI POLICY PRIORITIES

- Establish a Northern Ireland Future High Streets Fund, which Local Councils could access. We believe that this fund must be substantial and open on a multi-year basis. It will inevitably run side-by-side with a number of high-profile private sector regeneration projects and should be transformational in nature. It is vitally important that the business voice is heard in the management of such a fund.
- Well-invested funding in public realm is a key element of a comprehensive regeneration plan. We welcome the extensive investment in many villages, towns and cities made by government to date. However, we believe that future public realm regeneration projects must be better planned out to minimise disruption to existing businesses. Whilst we accept disruption is inevitable, there is clearly a need for better communication across agencies and contractors, avoiding unnecessary duplication and disruption. Better advance consultation is essential, as well as regular updates on timescales.
- Streetscaping and town centre master-planning have been used effectively although we would question how many of the latter were carried through to delivery. However, if fiscal conditions are not overhauled to become more business-friendly then such measures are little more than superficial.
- Greater forward planning, updating and awareness measures for local businesses are needed, including designated liaison between contractors, Department for Infrastructure and business representatives.
- Post-programme support to promote businesses affected by lengthy works projects and disruption should be implemented.

For more information,
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