
Executive

26th February 2008

Report of the Director of City Strategy

BUSINESSES IN CITY CENTRE PERIPHERAL STREETS

Summary

1. The report seeks to inform the Executive on a motion considered at full Council in October 2007 regarding businesses in City Centre peripheral streets and makes recommendations for the Council, working in partnership with others, to adopt in response to the report.

Background

2. At the Council meeting held in October 2007, it was resolved to refer a motion to the Executive for consideration with an officer report under Standing Order 11(a)(ii)(b). The original motion stated that: "the Council is concerned that whilst businesses in the inner core of the City Centre are thriving, some of the City Centre peripheral streets such as Goodramgate, Micklegate and to a lesser extent Fossgate, were not perceived as benefiting from this prosperity and are, in some cases, taking on a somewhat "run down" look. Further, Council notes that a review of the Council's footstreets scheme is currently under way and determines that regard should be had to this issue, in the conduct of that review. Finally, Council resolves to allocate adequate resources, including Officer time, to research this problem, and to develop an Action Plan, to include an economic regeneration strategy, to address this issue and to encourage a culture of vibrancy and prosperity, in these streets."

Consultation

3. No specific consultation has been undertaken in relation to this issue. The proposed closure of the Micklegate Post Office has generated considerable public comment and this matter was considered by the Executive at its meeting held on 16th January. Further consultation will need to follow on from consideration of this report by the Executive.

Options

4. The options for Members are to consider the actions set out below in response to the issue raised.

Analysis

5. The issue of difficulties faced by some retailers on streets peripheral to the City Centre is not a new one, and not one that is easily solved. Peripheral streets on either side of the river can find trading levels difficult, particularly the independents

who do not have the draw of a destination shop at one or both ends of their street to create good pedestrian flows nor the assistance of media marketing campaigns associated with the larger chain stores in the City Centre. However, it should be recognized that there are some particular “destination shops” in the peripheral streets for whom customers are rarely passing trade and attract buyers from the City and far beyond by their reputation. It is clear that different streets in the City Centre fulfill different functions, and this is reflected in values and rentals. The streets referred to in the motion to Council are generally recognized as secondary retail locations, often with an emphasis on A3, A4 and A5 uses (namely Restaurants and cafes, drinking establishments, and hot food takeaways). These uses form an important element of York’s evening economy.

The current position

York Trading conditions in retailing are anecdotally becoming more difficult (although this has yet to show in the latest results for the city centre Business Survey which covers the second quarter) and particularly for smaller traders. There are suggestions that this has been the case since Easter of this year – with the poor summer weather there was no summer boost to trading. The increases in interest rates and energy have played a key role in raising household costs and both spending and confidence have suffered. Many City Centre businesses have reported however good trading over the Christmas period. In property terms tenants large and small are nervous and there is strong resistance to rent rises and possibly fewer rent reviews too. There used to be considerable concern over boarded up shops, while we are not at that stage (probably five or so years ago) the market is not buoyant – but depressed by poor consumer sales and confidence. There remains continued investment in the City Centre through the relocation of new businesses and refurbishments. Goodramgate appears to have suffered more closures while Micklegate has more refurbished units ready to let. Again, it needs to be recognised that different streets have different characters depending on the mix of retail and services, and this impacts on pedestrian traffic, both during the day and in the evening. In the case of Micklegate, there are concerns that the proposed closure of the Post Office will have a further detrimental effect on footfall.

Council initiatives

In 2004, the Council carried out a scrutiny review into retailing involving a number of meetings with retailers. This recognised the importance, value and contribution made by the peripheral streets whilst recognising that these streets needed support. Much work has been done, and continues to be done, to enhance the profile of York as a destination for high quality and unique shopping, especially with the City’s independent small shops, in response to the recommendations set out in the scrutiny review..

The York City Centre Partnership (YCCP) was launched in October 2005 and is a public/private partnership company limited by guarantee. The company has been supported by Yorkshire Forward, the City of York Council, York Business Pride, Land Securities, Marks and Spencer and other companies. Its aims is to enhance the economic vitality and viability of the City Centre for the benefit of all who live, work, invest in or visit the Centre. A primary objective of the company has been to consult and research the establishment of a Business Improvement District in the City Centre of York. A BID is a partnership arrangement through which the local

authority and the local business community agree to take forward practical schemes to benefit that business community; these are funded through a compulsory levy linked to the level of business rates by those who operate commercially within the predetermined boundaries of the BID's effective area. A report was presented to the Executive in December 2007, highlighting its achievements within its action plan – these are appended to this report.

Additional marketing and promotional work – York Tourism Bureau has produced a Shopping Trails leaflet which guides the user through many of the City's peripheral streets concentrating on five themes: “designer wear”, including Micklegate; “designer living and antiques”, including Micklegate, Fossgate and Goodramgate; “something special” including Micklegate; and two “pampering trails, mainly featuring the Minster Quarter and City Centre. Considerable efforts have been made through the City of Festivals and specialist market activity to bring additional visitors into the City Centre. In addition, the Illuminating York event has specifically based activity in Micklegate in 2006 and Gillygate in 2007 to present work from students of the creative arts of York St. Johns University.

Evening economy - it has been referred to above that the City Centre peripheral streets play an important role in relation to the evening economy. A report highlighting the importance of developing the evening economy was considered by Executive on 24th July. This agreed a vision for York's evening economy and a more detailed action plan is being produced.

The Minster Quarter – the Council has supported an initiative driven by independent retailers to promote key streets in the City Centre, namely: Stonegate, High and Low Petergate, Gillygate, Goodramgate, Grape Lane, Little Stonegate, Swinegate, Minster Gates, College Street and Duncombe Place. The objectives of this initiative are to promote these streets nationwide as a unique destination for diverse shopping and leisure; to emphasise the independent and small chain character of these streets; to increase the number of shoppers on these streets rather than sightseers; to increase the viability of independent and small chain business; and to act as a lobbying voice. Whilst it is still early days, the initiative is looking to raise the profile of the area under the banner of the Minster Quarter.

City Centre Area Action Plan – the City Development team in City Strategy are leading on the City Centre Area Action Plan (AAP) which forms part of the Local Development Framework. Once adopted, the AAP will form the planning policy and spatial framework for the development of the City Centre and develop a series of principles to guide and control developments and to resist schemes that conflict with the overall vision for the City Centre. It will consider issues including the public realm, retailing, culture and tourism, the evening economy, community facilities, heritage and transport. The issue of the peripheral streets in the City Centre will be addressed by identifying site-specific and area-based proposals to stimulate enhancement in areas where it is most needed. The City Centre AAP “Issues and Options” consultation, which is timetabled for May 2008, includes a proposal to identify gateway and fringe streets as potential areas for action. This will allow the Council to establish overarching planning policies for these areas as well as providing the framework for actions to tackle issues such as the urban environment, street furniture, etc. The protection of retail uses in the peripheral streets will be an important aspect of the planning policies set within the Local Development Framework and the City Centre AAP. As part of the evidence base for the Local Development Framework, a Retail Study is currently being produced for the

Council. This will review the performance of the City Centre as a retail destination and make recommendations on the best approaches for enhancing the economic vitality and viability of the City Centre. The AAP will consider how these recommendations can be put into effect.

The AAP will also address the issue of pedestrian flows through and around the City Centre and will consider how best to encourage visitors and residents alike to explore the peripheral city centre areas and gateway streets. A brief has recently been issued to consultants to undertake a review of the Footstreets pedestrian priority zone. The review mainly concentrates on the operation of the zone but will also take into account other issues such as the potential to expand the zone into peripheral streets, signage within, to and from the zone. It will look at the function of the City centre and whether its layout is still appropriate for the multitude of uses to which it is put. It will also assess the impact the introduction of the zone has had on city centre businesses and will look at current servicing arrangements and whether these can be improved. The review should take somewhere in the order of six months to undertake given the large number of stakeholders who will need to take part in the various consultation exercises. This review will form part of the evidence for the City Centre AAP.

6. In summary therefore a significant amount of action has already taken place by the Council with regard to the City Centre peripheral streets and the City Centre AAP will provide the framework, supported by the statutory planning process, for further implementation in the future. There is however no reason just to wait until the City Centre AAP before seeking to take further action to encourage footfall, buyers and sales on the peripheral streets in the City Centre. Proposed measures include:
 1. Working with retailers, traders and other businesses on the peripheral streets to offer advice and encouragement to initiatives such as increased marketing activity to increase sales, emphasising the quality and range of goods for sale in some of the City's historic streets. A strong marketing identity could be developed, learning from the experience of the Minster Quarter;
 2. Working with Visit York to examine the scope for further publications to attract additional visitors to the peripheral streets around the City Centre on a themed approach;
 3. Examining the scope for developing further City Centre festivals and speciality market events to extend their range beyond the main City Centre core, building upon the success of Illuminating York in doing so;
 4. Developing further initiatives to promote the evening economy, taking account of the role many peripheral streets play in contributing to this growing activity – in so doing, extending the attractiveness of the evening economy in the City Centre for a wider audience of residents and visitors.
 5. Maintaining progress with the development of the City Centre Area Action Plan and ensuring that this is focussed on implementation to support the gateways and fringe streets in the City Centre, particularly regarding issues such as planning policies, pedestrian movement, quality of the environment, and street furniture.
 6. Footstreets review – to consider the extent of this initiative and the implications for businesses in peripheral streets through the consultation to be undertaken during the review.
 7. Further work to examine empty property within the peripheral streets and the scope and opportunity to bring such property back into use.

7. It is recommended that the Executive endorses the initial set of actions highlighted above in order to work with businesses to enhance the economic vitality and viability of the City Centre peripheral streets.

Corporate Priorities

8. The Council's corporate strategy identifies a number of priorities relevant to the issues considered within this report:
 - Increase people's skills and knowledge to improve future employment prospects.
 - Improve the prosperity of residents with a focus on minimising income differentials.
 - Improve the life chances of the most disadvantaged and disaffected children, young people and families in the city.
 - Improve the way the Council and its partners work together to deliver better services for the people who live in York.

Implications

9. Financial: There are no direct financial implication arising from the recommendations set out in this report. Additional staff resources have been allocated to the City Development team which will support the development of the City Centre AAP. The proposed actions related to working with businesses on the peripheral streets and liaison with Visit York will be undertaken by existing staff within the Economic Development Unit. Any further actions to support the City Centre peripheral streets will need to be the subject of any future reports to the Executive or EMAP.
10. Human resources: None
11. Equalities: None
12. Legal: None
13. Crime and Disorder: None
14. Information Technology: None
15. Property: None

Risk Management

16. In compliance with the council's risk management strategy. There are no risks associated with the recommendations of this report.

Recommendation

17. The Executive is requested to agree the actions set out in paragraph 6 above as the response to the motion on businesses in the City Centre peripheral streets as considered by Council in October 2007, and that this report and recommendations are referred back to Council.

Reason: To help shape the effectiveness of future action.

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Report Approved Date

Specialist Implications Officer(s)

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Wards Affected:

All

For further information please contact the author of the report

Background Papers:

Annex: York City Centre Partnership Limited, summary of activities to November 2007.