

Economic & City Development Overview & Scrutiny Committee – July 2012

Proposed Scrutiny Topic - City Centre Retail Health

Background

The current double-dip recession, sharp reductions in consumer spending and the growth in popularity of on-line shopping have all combined to bring a greater focus on Retail Health for York's city centre recently. Added to this is a specific need to respond to any potential impact of the Community Stadium Project to be developed at Monks Cross South. The response by Central Government to the difficulties experienced nation-wide in retailing through the Portas Report, have provided a national context against which York can set its own action plan to ameliorate the effects of economic pressures on the city centre.

Members will be aware of the current weak consumer spending and constrained business investment in the UK typical of any recession, and it is no exaggeration to say these are some of the most challenging conditions for a generation. Added to these cyclical problems for the high street are more structural effects driven by technology and changing tastes – there is the growing popularity of shopping on-line, driven by ease of use and generally lower prices. Demographic changes with an aging population, suggest that shopping habits are likely to alter while the phenomenon of globalisation suggests developed economies like the UK will have a greater reliance on service and particularly on knowledge-intensive industries.

Current Activity around the topic

Against this background for York and following the recommendations of the Portas Review, a City Team has been established that is designed to represent the full range of businesses located in the city centre – building on the former Retail Strategy Group, but now including representatives also from the Restaurant, Licensed and Hotel trade, Digital and Creative industries, Education, Transportation, Heritage, professional and banking industries together with representatives of the two current York Quarters; Minster and Micklegate.

This broad group, associated with York Economic Partnership, has a remit to develop a partnership approach to further economic prosperity in the city centre as one of several task groups reporting upon, and making recommendations to/delivering actions that support, the delivery of the York Economic Strategy. Specifically:

- Develop actions to enhance the economic well-being of the city centre – develop, monitor and review strategic goals and shared ambitions that underpin the economic development of the city centre.
- Review performance – demonstrating progress against the vision, action plan and indicators.
- Provide a focus for supporting existing businesses and encouraging new enterprises and inward investment to the centre – maintaining a prosperous and flourishing city centre economy that will sustain high employment rates.
- Exploring new ways of working and service delivery.

The strategic aims of the City Team are~:

- To have a diverse city centre economy through further investment in opportunities to develop a wider range of businesses in the city centre, and the creation of greater flexibility in start-up and small business space.
- To maintain and grow the footfall and occupancy rates within the city centre.
- To maintain and develop a critical mass of retailing in the city centre.
- To create a strong brand for the city centre as part of a wider York city brand
- To develop and strengthen the perception of the city centre as a meeting place – building our business tourism profile.
- To encourage projects and the formation of new business especially to develop the city centre's market offer – following the Portas Pilot bid and providing a broader base for enterprise development.
- To foster the creation of a world-class sense of place in the city centre – bringing forward improvements to the public realm
- To bring about greater connectivity of the city centre to peripheral areas and centres of activity and markets – both physical and digital.

- To be ranked as an international high-quality leisure and business visitor destination.
- To be a focus for high quality external investment and supportive of local business and small business development.

Pros/cons of doing a scrutiny review on this topic

A close look at retailing health in the city centre is undoubtedly a worthwhile topic since the retailing industry, particularly small business, has been under pressure for some while and this affects local people through both business security and employment. As explained in the opening paragraph, this is not an issue confined to cyclical pressures brought about by recession, but is likely to be at least in part also structural, as some consumers turn to the internet for both price and convenience to buy some of their shopping.

However, as the current activity around the topic shows, a vigorous partnership-driven response through City Team York is already underway. A robust plan is in place targeted firmly at maintaining a critical retail mass, improving investment levels, developing greater diversity and improving connectivity in the broadest sense around and across the city. Overall, with an objective to bring about a rethinking and rebranding of the city centre to create a space, while being sustainable and respecting tradition and heritage, develops a city centre more diverse, with greater flexibility in property and employment terms and with more resilience to future economic shocks and downturns.

Potential focus for any Scrutiny Review

Given the new formation of the City Team with a broadly-based membership working in partnership with the business community, Members may wish to decide to provide their involvement in this policy area through the three Members sitting on the City Team itself at this time (Cllrs. Alexander, Merrett and Crisp) and consider revisiting the topic in Scrutiny in perhaps two to three years time to examine the structures put in place measuring how well they are performing to achieve the required policy objectives set out in broad terms above.