

The Future of Retail and Town Centres



October 2019



1. Introduction

- 1.1 The Council's Economic Prosperity Sub-Committee is a scrutiny committee. It has no decision making powers but it examines matters relating to the economy, transport and tourism in North Tyneside and makes recommendations to the Elected Mayor and her Cabinet to help shape the Council's future policies, plans and strategies.
- 1.2 In determining its work programme for 2018/19, the Deputy Mayor, Councillor Bruce Pickard, suggested that the sub-committee could usefully investigate the future role and nature of town and retail centres. Councillor Pickard posed the question that if the Council were to regenerate its town and retail centres, how could it develop sustainable retail models in the light of the growth of online shopping?
- 1.3 In response the sub-committee appointed a sub group to examine the future of North Tyneside's retail and town centres and to formulate recommendations as to how the Council might shape its regeneration plans to develop and support sustainable retail and town centres in North Tyneside. The following members agreed to serve on the sub group:
Councillor John Harrison (Chair)
Councillor John O'Shea
Councillor Sandra Graham
Councillor Janet Hunter
Councillor Willie Samuel
Councillor Frank Lott
(Councillor Judith Wallace also attended a number of meetings.)

2. Objectives and Key Lines of Enquiry

- 2.1 The sub-group were asked to:
- a) examine the existing local plans and strategies that aim to develop town and retail centres in North Tyneside;
 - b) examine national policies, strategies, campaigns and reports;
 - c) examine how the retail sector and consumer behaviour have changed and how retailing may develop in the future;
 - d) examine what other local authorities have done to successfully remodel their town centres; and
 - e) formulate evidence based recommendations as to how the Council might shape its regeneration plans to develop and support sustainable retail and town centres in North Tyneside.

3. Methodology

- 3.1 The sub group agreed to base its work on a self-assessment checklist, produced by the Local Government Association, to gauge the effectiveness of current plans, partnerships and activities aimed at revitalising the borough's retail and town centres. The group met a wide range of stakeholders (listed in Appendix A) to discuss the issues facing the retail sector and to understand the existing plans and strategies. The sub group have also considered numerous policy documents and research papers in relation to the future of

retail and town centres. These are also listed in Appendix A together with hyperlinks to the documents for reference purposes.

- 3.2 The sub group agreed that it wished to produce a short, concise and easy to read report. The content of this report is therefore focused on the group's conclusions and recommendations. The supporting evidence is referenced in the Appendix and in the notes of the meetings with the key stakeholders, available on request.

4. Vision

- 4.1 The Council must provide leadership and vision.

- 4.2 The current policy direction is set out in Our North Tyneside Plan, the North Tyneside Local Plan and the Authority's regeneration strategy as set out in "An Ambition for North Tyneside" together with regional policy including the Local Enterprise Partnership's Strategic Economic Plan, the North of Tyne Combined Authority's Economic Vision. The Local Plan seeks to ensure town centres are recognised and protected as key locations for a diverse range of uses such as retailing, leisure, offices, cultural activities, community facilities and also provide an important, sustainable location for housing. The Local Plan recognises that each of the town centres in the Borough are individual and face a variety of different issues and so it contains area specific strategies.

- 4.3 "An Ambition for North Tyneside" provides a list of regeneration priorities and projects across the borough based on four sub areas within the borough but it does not provide a clear vision for our town centres.

Cabinet is therefore recommended to develop a vision for the future development of our town centres over the next 10-15 years to complement the Ambition and Local Plan, identifying and building upon their unique selling points.

In preparing the vision the Cabinet is recommended to give consideration to the findings and conclusions of the sub group as set out in the remainder of this report.

- 4.4 The vision should be supported with an up-to-date and robust evidence base. A comprehensive retail study supported the local plan (2014) and it is noted that town centre vacancy rates are regularly monitored by the Council. Rapid changes have occurred in the retail sector and so on-going monitoring of each of the town centres to gather key performance data will be helpful in understanding the trading position. Understanding the key strengths of the centres, their challenges and areas that would benefit from improvement will assist in monitoring of their vitality and viability. In the course of its investigation the sub group has obtained evidence which should be considered as part of any study. However, it is noted that much of the commercial intelligence around town centres, i.e. rental values and property deals which give an insight into the health of a centre is confidential and not in the public domain. Moreover, it is also recognised that data will only provide an empirical view of town centres. It is also important to have a qualitative assessment of our places as well as a quantitative assessment.

- 4.5 The vision for our centres needs to be aligned with Our North Tyneside Plan and other key plans and strategies such as the Transport Strategy, Safer North Tyneside Strategy and Joint Health & Wellbeing Strategy so that any regeneration helps to deliver the Council's broader policy objectives such as encouraging sustainable travel, creating dementia friendly communities, reducing alcohol misuse and reducing crime and disorder. It also needs to align with emerging guidance and advice from Central Government which will be the basis on which further national funding for town centres is made available.
- 4.6 The Council needs to consider the potential impact of any future clean air zone charging on town and retail centres.

5. Governance

- 5.1 The Elected Mayor and Cabinet have provided leadership and a clear strategic direction in Our North Tyneside Plan, the North Tyneside Local Plan and An Ambition for North Tyneside. A more local level of leadership and governance is also required to:
- formulate and deliver individual interventions that will support town centres in line with an agreed vision.
 - engage with business, communities other stakeholders; and
 - involve ward councillors.
- 5.2 During the course of its investigation the sub group has engaged positively with a range of established key partners/contacts on the future of retail and town centres and they appear willing to work with the Council. These contacts and relationships should be developed to establish the public/private partnerships that will be required to deliver the vision for our centres. It is recognised that there are already strong networks in place through the Chambers of Trade who are already actively engaged in activities which promote their respective centres. It will be important for the Council to align any activities with the Chambers to ensure there is complementarity.
- 5.3 Communities need to be effectively engaged in the process to determine their views and aspirations and to build a consensus around the vision. The group supports the intention that communities will be consulted when firm regeneration projects have been prepared.

6. Adaptation

- 6.1 The group have been told there is too much retail space in town centres. This is common to many towns who have too much of the wrong type of retailing floorspace in terms of unit size and configuration.
- 6.2 The town centres therefore need to adapt and broaden their offer to become "activity based community gathering places" and to "create areas where you want to be" seeking to provide a mix of commercial, leisure, health, cultural, employment and residential uses with pop up events and clusters of activity. However, it is acknowledged that this needs to be market led i.e. any broadening and diversification of the town centre offer has to be financially

sustainable and provide outcomes which contribute towards our overall objectives to ensure the long term sustainability of our centres.

- 6.3 Town centres need to offer new alternative anchor attractions such as leisure, health or community facilities and create ways to connect with existing nearby attractions such as the Fish Quay, Spanish City and Segedunum. Whilst the public sector can often intervene in areas by investing in assets such as Spanish City to drive footfall and economic activity, the success of our centres will ultimately rely on a broader private sector led offer.
- 6.4 Wallsend, North Shields and Whitley Bay each have retail areas and property which present opportunities for adaptation. These areas tend to be on the edges of the centres. There is potential to convert decaying, vacant or inflexible retail property to residential or office space. However, consideration will need to be given to the financial viability of such schemes together with overall development costs. Where appropriate, strategies for land assembly can be refined, which have the potential to bring together landlords to create opportunities to secure the investment required to transform areas of town centres.

7. Planning

- 7.1 When the Local Plan was adopted in 2017 Policy DM 3.5 was included to protect designated primary and secondary shopping areas. Under Regulations the Council is required to review the Local Plan after 5 years. As part of any statutory review the Local Plan will need to reflect changes in retail sector and Government advice and guidance on town centres. It may also be possible to provide more locally based policies as part of a Local Plan Review which provide more site specific proposals for our town centres.
- 7.2 As things currently stand, the Council as Local Planning Authority has some control of town centre development through the application of policies contained in the Local Plan. This is through the determination of planning applications for new developments including some changes of use. However, for the most part, control rests with private sector landlords and property owners who ultimately have control over the management of their own properties. The Government has also sought to reduce bureaucracy and has granted more freedom to property owners through the extension of permitted development rights (e.g. change of use from office to residential). Whilst the Sub-Group recommends that Council should lobby the Government for greater control through the planning framework, it acknowledges that this may not alter eventual outcomes as proposals may accord with national and local planning policies.
- 7.3 The North Tyneside Local Plan provides for the development of 16,593 new homes in the 20 year period up to 2032. A key strand of future activity should be to see how town centres can serve the growing populations, particularly those living in the Murton Gap and Killingworth Moor areas, and how any new local retail developments can complement neighbouring town centres.
- 7.4 The sub group acknowledges the significance of retail parks such as Silverlink Shopping Park and the contribution they make to the economy of the

borough. The Council should continue to support their future development when this is in line with national and local planning policies. The Council must however be mindful of the likely impact on town centres of any future growth of retail parks and keep under review the effectiveness of its town centre first approach towards new development for main town centre uses (Local Plan Policy DM 3.4) and if necessary, strengthen its policies.

8. Cultural Events

- 8.1 Cultural events such as the Victorian Christmas Market in North Shields have increased footfall in town centres and have benefitted the local economies. This has included recent events in North Shields supported by the Business Chamber. In light of financial pressures, the Council increasingly supports private and community partners to deliver events in town centres rather than delivering them itself. Whilst event space is sometimes limited in town centres, the sub group acknowledges that the success of an event is often down to its location and accessibility by both car and public transport. It is often the case that event organisers will specifically target non town centre locations for reasons of accessibility.
- 8.2 Consideration will therefore need to be given to creating connections between events and town centres and to create better event spaces in town centres in order to maximise the opportunity for broadening the visitor experience and town centre offer.

9. Place Branding & Marketing

- 9.1 People more readily identify with the towns in North Tyneside rather than the borough as a whole or its four quadrants (north east, south west etc.) It is important to recognise that the Chambers of Trade will have their own views on branding and may be best placed to lead on this for their respective town centres. Of equal importance is the need to market the town centre offer and experience to those who currently do not see them as a destination of choice. Again, the role of the Chambers of Trade to lead on this promotion is essential.

10. Public Realm

- 10.1 People want attractive, healthy and safe places to go. The Council has a vital role to play in continuing its investment into the infrastructure of town centres such as roads, pavements, lighting, street furniture. The sub group noted the recent improvements in Forest Hall and the impact that this had achieved. Whilst recognising the significant financial challenges of public realm works, any future projects should seek to provide attractive spaces in which people can socialise, reduce the amount of inappropriate street furniture and provide effective directional signage. The Council must also continue to maintain the cleanliness of centres, ensuring for example that streets are tidy and public toilets are in working order.

11. Technology

- 11.1 Technological infrastructure and connectivity is good in the town centres and is about to be improved with the installation of full fibre connections and 5G networks. This technology offers businesses with opportunities to market on-line, develop their own websites, use social media, operate click and collect models of retail or collaborate with others to develop town centre websites.
- 11.2 The Council has a role to play in supporting businesses to maximise the opportunities presented by the technology by offering skills training through its business support services and help co-ordinate on line marketing strategies through its social media presence and websites such as visitnorthtyneside.com

12 Funding

- 12.1 The Government has established a £675m Future High Streets Fund to help local areas prepare long-term strategies for their high streets and town centres and co-fund infrastructure and land assembly projects. Whilst the Council was unsuccessful in progressing to the second round of this, it is anticipated that further rounds will be announced and the Council is reviewing how to improve its chance of success in future rounds.
- 12.2 The sub group notes that the North of Tyne Combined Authority has allocated £200,000 from its Business Case Development Fund to undertake a North Shields and Fish Quay Masterplan and Business Case Development Study. The outcome of this work will be used to attract investment from several sources and could support an application to the Government's Future High Streets Fund. The sub group urges the Council and its partners to work together to secure funding as and when it becomes available from a range of sources including Central Government.
- 12.3 Further consideration should be given to how funds derived from the Community Infrastructure Levy and Section 106 agreements might be used to aid town centre regeneration. The Group acknowledged that in respect of any Section 106 planning contributions, these will need to meet the relevant tests and criteria and will need to be directly related to the development which is being considered through the planning process.
- 12.4 The sub group believes that formulating a broad vision for our town centres which reflects the current structural changes will help attract and secure further grant funding and inward investment.

13 Expectations of Business Community

- 13.1 The group recognises that the Council has only limited scope for intervention in defining our town centre offer as ultimately shops and services are private enterprises. Retailers should be encouraged to have a greater stake in our centres and to work with the Council where appropriate.

However, the sub group acknowledges that retailers and leisure operators are commercial entities and are often bound by their own internal policies and

governance. Also, at a time when margins are narrow and competition from on-line retail is increasing, there is often less capacity (financial and otherwise) to engage in activities outside their core business. Notwithstanding this, the sub group recommends that the Council continue to work collaboratively with operators to:

- adapt to customer demands to provide a convenient, attractive and unique offer;
- provide excellent customer care;
- embrace new technology;
- connect any marketing initiatives with any overall marketing strategy for the town centre; and
- support cultural events held in the town centres.

13.2 The sub group also calls upon national retail chains with branches in our town centres to contribute more to the development and promotion of them. The group found in the course of its investigation a disproportionate burden falling on the independent traders within the towns in co-ordinating marketing strategies, supporting events and improving the condition of the town centres.

14 Monitoring

14.1 The sub group suggests that the Cabinet should report to the Economic Prosperity Sub-Committee on its response to this report and, in the longer term, the sub-committee should include within its work programme further scrutiny exercises to examine the delivery of activity and assess their impact.

Sources of Evidence

The following background documents have been considered in the course of the sub group's investigation:

[Revitalising town centres – LGA handbook for council leadership](#)
[North East Local Enterprise Partnership - Strategic Economic Plan](#)
[North of Tyne Combined Authority - Economic Vision](#)
[Our North Tyneside Plan](#)
[North Tyneside Local Plan](#)
[An Ambition for North Tyneside](#)
[North Tyneside Retail and Leisure Study 2014](#)
[The Transport Strategy](#)
[The Parking Strategy](#)
[Forest Hall Public Realm Improvements](#)
[Business Support O&S Report March 2017](#)
[Business Support Services](#)
[www.visitnorthtyneside.com](#)
 Local vacancy and footfall rates
 Town centre plans showing commercial use.
[The Portas Review 2011](#)
[The Grimsey Reviews 1 and 2](#)
[Housing, Communities and Local Government Select Committee Report Feb 2019](#)
[Timpson Report Dec 2018](#)
[North East of England Chamber of Commerce – Town Centres: Planning for the Future- Nov 2018](#)
[Centre for Retail Research](#)
[House of Commons Briefing Paper](#)
[National Planning Policy Framework](#)
[The Digital High Street 2020 Report](#)
[The Digital Influence Index](#)
[Smart Street, Moseley Street, Newcastle](#)
[Town Centre Investment Zones –Getting investment back into the high street](#)
[Business Forum](#)
[Business Improvement Districts](#)
[The Future High Street Fund](#)

The sub group would like to place on record its thanks and appreciation to the following people for agreeing to meet with the sub group to discuss and consider the future of retail and town centres:

David Bavaird, Chair of the North Tyneside Business Forum
 Kevin Stephenson, Chair of Wallsend Chamber
 Judith Ramshaw, Royal Quays Outlet Centre Manager
 Paul White, Director of NewRiver REIT plc
 David Menzies, Manager of the Beacon Centre, North Shields.
 Nick Lambert, Manager of The Forum Shopping Centre, Wallsend
 Miles Walton, Chair of the North Shields Chamber of Trade and Commerce
 Julie Summers and Michael Maughan, Whitley Bay Chamber of Trade
 Michael Bell, Senior Asset Manager, and Anthonie Chiu-Smit, The Crown Estate/
 Silverlink Retail Park
 Poppy Arnold, Elected Young Mayor
 Daniel McTiernan, Deputy Young Mayor

Oscar Daniel, Emily Doughty and Harsh Singh, Youth Councillors
Anne Grimes, Participation and Advocacy Officer
Peter Slegg, Senior Planning Policy Officer
Aidan Dobinson Booth, Development Control Manager
Graham Sword, Senior Manager Regeneration
Ben Kaner, Head of Digital Strategy
Sean Collier, Senior Manger Business and Enterprise
Pete Warne, Tourism and Events Development Manager
Vicki Nixon, Participation and Advocacy Manager
Paul Hanson, Chief Executive
Councillor Bruce Pickard, Deputy Mayor and cabinet member responsible for
regeneration, planning, business and economic development
John Sparkes, Head of Regeneration and Economic Development