

# MINUTES OF THE MEETING OF THE CROSS PARTY GROUP ON TOWNS AND TOWN CENTRES

HELD ON WEDNESDAY, 4<sup>TH</sup> NOVEMBER 2015, 1 PM

COMMITTEE ROOM 1, SCOTTISH PARLIAMENT

## 1. Welcome and Opening Remarks

Group Convener, Margaret McCulloch (MMcC), welcomed the group and thanked East Kilbride Shopping Centre for providing refreshments.

## 2. Minutes of Previous Meeting and Matters Arising

The Minutes of the previous meeting were approved by Phil Prentice (PP).

Presentations, papers and future dates can be found on the Scotland's Towns Partnership website [http://www.scotlandstowns.org/cross\\_party\\_group](http://www.scotlandstowns.org/cross_party_group)

MMcC reported that since the last meeting a reception had been held on 2<sup>nd</sup> September in celebration of small and rural towns and to launch Scotland's Towns Week. It was a good networking event and an opportunity to share good practice.

It was noted that MMcC and Chic Brodie must depart early today to attend a Committee meeting.

MMcC introduced today's theme, 'The Changing Face of Scotland's Towns: New Routes to Success'. Today's first speaker on 'Healthy High Streets Campaign' is Pete Vallance (PV), Head of Region – Healthy High Streets Campaign at Business in the Community, and Democratic Services & Membership Manager, The Co-operative Group

## 3. Presentations on 'The Changing Face of Scotland's Towns: New Routes to Success'

The Healthy High Streets Campaign: *providing access to business expertise and resource to help high streets realise their potential.*

The full presentation is available on the Scotland's Towns Partnership website [http://www.scotlandstowns.org/cross\\_party\\_group](http://www.scotlandstowns.org/cross_party_group) Some key points were made as follows:

- 850 businesses in BIC to support social cohesion agenda supporting towns. Counterpart in Scotland is Scottish Business in the Community (SBIC).
- The aim is to increase footfall, reduce empty units and support the creation of jobs;
  - o Businesses see a Healthy High Street as part of their local manager's remit, it is embedded into their role profile

- Brands see high streets as a key part of their marketing mix
  - Every high street has a business-led partnership
  - Every high street is relevant to its local community need
  - High Streets are seen to be successful when they increase footfall and reduce the number of empty units
  - Business, the Community and the Local Authority feel Pride returning to *their* town as they reimagine their High Street.
- Town selection criteria – they applied to be part of programme. The criteria are – a high concentration of business partners; established town team/town centre partnership or BID; serves areas of high deprivation; potential for businesses to make an impact
  - Coverage in Scotland – Dunfermline, Elgin, Inverness, Galashiels, Hamilton, Kilmarnock, Kirkwall.
  - Approach (see diagram, slide 8). Key is having a BID or a structure in place.
  - £4m investment of support and resource leveraged in 33 towns in one year.
  - Evidence of spend as well as footfall is important.
  - What has happened so far? Relevant action plans developed for each town by local leaders; targeted initiatives: events programmes, car parking, trading hours; measurement framework and KPIs monitored quarterly. For Example, worked in Inverness on opening hours and Dunfermline on branch manager resource offer.
  - Insights and activities from the first year? –
    - Leadership development: Increased participation on BID Boards and securing positive BID votes; improved internal business networks
    - Footfall: Year round Events; Car Parking / Transport Initiatives; Trading Hours aligned
    - Reducing Vacancies: Collaboration with local landlords and agents; Incentives to reduce vacancies;
    - Job creation: New corporate openings; Santander new business development; Employability programmes
    - Pride: Town centre clean ups; Local charity links; Specific town events
    - Collaboration is key: Businesses; Town partnership; Local Authority. For example, in Elgin the Boots manager is also on the BID board.
  - In addition to these insights and activities, safety is important.
  - The important message is, collaboration is key – business, town partnership and local authority.
  - What has been achieved so far? -
    - Footfall: over 50% of towns have already seen an improvement in footfall
    - Empty premises: 5% reduction in empty premises
    - Jobs: 1,700 jobs created
    - Media coverage: 9,077,593 reach
  - What next? Support 100 High Streets over three years to reach their potential through access to business expertise:
    - Drive improvement from collaboration between businesses, town partnerships and Local Authorities
    - Broaden corporate partner base and establish Healthy High Streets as the “go to “ business programme
    - Cultural change to over 12,000 local leaders in our partner businesses

- Develop relationships with similar minded organisations across the UK to reduce duplication & enhance local community impact through a joined-up approach.
- Why are these brands investing in this programme? – leadership, reputation, people, it's good for business.

MMcC thanked PV. She emphasised the importance of staff being aware of the programme too and to act as ambassadors. Speaking on 'The Future of Retailing', MMcC introduced today's second speaker, Ian McLelland (IMcL), Centre Director, East Kilbride.

The full presentation is available on the Scotland's Towns Partnership website [http://www.scotlandstowns.org/cross\\_party\\_group](http://www.scotlandstowns.org/cross_party_group) Some key points were made as follows:

- There is structural change in retailing in UK. UK retailing figures show highest proportion of online retail. (Refer to diagram, slide 2)
- 'Retail Futures 2018' forecasts that by 2018:
  - Total store numbers will fall by 22%, from 281,930 today to 220,000 in 2018.
  - NB. JL Partnership estimate 40% by 2020
  - Job losses could be around 316,000 compared to today
  - The share of online retail sales will rise from 12.7% (2012) to 21.5% by 2018 or the end of the decade.
  - There will be a further 164 major or medium-sized companies going into administration, involving the loss of 22,600 stores and 140,000 employees. Many of these companies will survive but at the cost of closing more than half their stores.
  - The High Street will continue to suffer: around 41% of town centres will lose 27,638 stores in the next five years.
- Key catalysts for the looming retail crisis:
  - Consumer spending has increased by 12% since 2006 but was outstripped by retail operating costs (including rates) which have risen by 20%. It will be several more years until the UK returns to previous levels of growth: in fact GDP/head has not yet returned to the level it was in 2008/9.
  - Customers are shunning the high street: its share of consumer spending has declined from 50% in 2000 to a predicted 40.2% next year.
  - As fewer shop in stores, online retail is set to account for 21.5% of total retail sales by 2018 from 12.7% today, the highest online retail share in the world
  - With such a high number of transactions carried out online, retailers with a strong web offering now need just 70 high street stores to create a national presence compared to 250 in the mid-2000s
- Stores are always closing - and reopening - but this time the pace of change is considerable and the total number of shops by 2018 is expected to fall by 22% over the next five years to 222,000. (Refer to diagram, slide 5)
- The destinations that do well will be those: serving a mainly prosperous hinterland; areas of growth, new housing and young families; easy-to-reach tourist areas aimed at middle-income families; and areas where unemployment is low.
- The best performers will therefore be areas like London, the South East, key shopping cities like London, Birmingham, Leicester, Manchester, and Glasgow, and tourist areas like York, Bath, and Brighton.
- In very general terms the changes in store numbers reflect the North-South divide.
- Online retailing as a percentage of all retail sales is now 12.7%. Food online sales are very low (3.7% of all food sales) so that the share of non-food is now up to 19%.

- This will change quickly over the next five years, although we expect all four main grocers to develop massively their food online offers so that with Waitrose and Ocado the food online share should be up to 9.5% by 2018.
- Retail stores will remain an important, although smaller, part of retailing in high streets, malls and retail parks as online continues to grow.
- The 'normal' retail model needs revisiting, under the combined pressures of high costs, consumer reluctance to spend, and rapid growth of online retailing.
- Retailers have to make clear strategic responses to the changing patterns of how consumers shop, in particular deciding *the proper number, type and location of stores*
- Retailers are moving to place flagship stores in major cities, with satellites in smaller places, and online.
- The bulk of Shopping Centres are moving to food and beverage i.e. things that can't be bought online. In China looking to increase this from 10% to 40%, and other countries doing likewise from 10 - 25%. This is a global phenomenon. Retail pays more in rates than rent. We must address this.

MMcC thanks IMcL and introduced final speaker, Paul Matthews (PM), Engineering and Design Manager, Sustrans, discussing, 'An Active Route to Town Vitality'.

Sustrans is the UK's leading sustainable transport charity. Its vision is for people to travel in ways which benefit their health and the environment. Sustrans delivers exciting infrastructure and behaviour change projects, working with communities and organisations across the UK. In Sustrans Scotland, teams manage multi million pound budgets to work on projects that are continuing to increase in scope and remit. Sustainable and inclusive design underpins all work undertaken.

There is a need to improve the quality of public realm, and in turn boost, the economic and retail vitality of town centres and create places which encourage people to travel sustainably. In doing so environmental and health benefits will be realised, and make a positive difference on communities and people's lives.

### **Vision**

The Group then participated in a visualisation exercise – to visualise a place, a town centre, a shopping street or town square. PM showed a photo example of what he hoped people visualised - a place where there is no traffic, a safe environment with open spaces where people can walk and cycle, there are trees and plants, and most importantly - where people want to spend time.

The purpose of this exercise was to get the Group to step back and think about what you as individuals, as people, as potential shoppers – want from a place – and in doing so, realise that all the good things about these places are sustainable and encourage and allow people to walk and cycle.

### **Retail and Town vitality**

The benefits of creating better places with and for people are huge: Places designed with and around people benefit the local residents and lead to increased community cohesion.

- There is a direct link in the quality of streets and the property prices and retail rents.
- Pedestrianised streets have proven to increase footfall by 40% and increase sales by up to 20%.

- It is a fact that people walking to and through a place spend more time in the area to look, linger and spend more time in shops
- We also know that people do not enjoy shopping in an environment with motor traffic – there are studies showing a direct link between the speed of nearby traffic and the number of vacant shops.

## **Car Parking**

There are always these concerns and perceptions from retailers and shop owners that availability of car parking is important in retail and attraction of customers.

- When you speak to people and shoppers, car parking doesn't concern them most. They want improved access for disabilities, better conditions for pedestrians and reduced traffic.
- Surveys have shown that the number of shoppers arriving by car is actually far less than anticipated, with as little as 30% of all shoppers arriving by private car in places like Newcastle and Bristol.
- Over the course of a month people walking, cycling and using public transport spend more in shops than those who take the car as they visit more frequently.

Creating places which encourage active travel and designed with around people has positive impacts for businesses and the communities. The community and people who ultimately benefit. They see them as safer places, they walk and cycle more often, they have a greater sense of belonging and the impacts on community cohesion are massive.

## **Working with Sustrans**

Sustrans supports projects through its expertise in community led design, engagement and placemaking. In Scotland, Sustrans has budget available to contribute to projects which achieve this. They also aim to add value to projects and places – allowing them to grow, realise their potential and offer more benefits and opportunities for people and the environment. Towns, and Town centres in particular, can play a massive role in this as they are at the heart of communities and the local economy.

PM encouraged Group members to come to Sustrans for support when thinking about regenerating and improving towns and town centres.

MMcC thanked PM for his presentation and welcomed discussion.

## **4. Group Discussion**

D Rodwell (DR) cited the example of Delft and prevalence of bikes. A separate issue - DR observed that there was an assumption that people are not living in towns.

PM – must encourage making short trips on foot and by bike. Ultimately a culture change is required and Sustrans can help to design better spaces to encourage this. Phil Prentice (PP) believes change is afoot. He added that Sustrans has joined STP's Board and looking at joint pilot projects to demonstrate possibilities. Similarly, looking to pilot town centre living projects. PM highlighted that European cities are 40 years ahead of us and we're just getting to that stage; we should aim higher given the experience already out there.

Barry McCulloch (BMcC) asked about the role of Scottish Government, councils and the wider public sector in combatting online trends. Ian McLelland (IMcL) – rates are crucial and when you

hear of amazon and ebay not paying tax, it seems greatly imbalanced on towns. PV – are we upskilling a workforce that knows how to cope with the inevitable change?

Stephen Leckie (SL) – on behalf of Crieff BID SL asks, what can a small retailer do to futureproof? Every town needs a hub and is of importance to hotels and tourism. IMcL – combine online with bricks and mortar; differentiation on High Street [too much homogeneity]; emphasise the community experience – the enjoyment of speaking to people and having a pleasant day out.

Leigh Sparks (SP) believes elements of the retail story are readjusting and it is not quite as bleak as portrayed. The University with LDC launches research on Scottish vacancy rates for towns on 1 December. There are signs that vacancy rates in Scotland are showing improvement. PP added, we all know retail is going to shrink; we replaced the core initial purpose of a town with retail; we must now reinvent towns with other purposes based on leisure, physical movement, public services, enterprise, experiences, digital, accessibility, housing - and retail will be part of it but more niche and higher quality.

PM – in terms of active travel – if you can attract those who are within a two mile radius by creating an environment that people want to come to, rather than forcing them to take their cars to outlying supermarkets.

Gordon Bell (GB) – in response to SL – community and cooperating is key to a town's success. The trends are not as bad individually in towns; retailers must be outgoing and positive and cooperative; they must adopt the technical side though not necessarily in direct sales, but certainly in terms of communication; more people tend to buy specialist food as part of an experiential shopping trip and people will pay up to 20% more if part of that experience.

Allyson Black, Falkirk Council commented on being new to the Group and has found its enthusiasm encouraging.

In response to vacancy rates, LS would not like to place too much reliance on footfall figures. We should not compare Scotland with the UK as it includes London, and we need better defined data to which we compare ourselves with. There are a lot of out of town businesses struggling badly and would like to see more research.

Tom Johnston (TJ), Colliers, supports IMcL's observations – requirements for retail parks are very strong at present, and large supermarkets are changing their structure, so some of the 'big boys' are collaborating in same premises, and this can only mean less shops in the High Street. Also, we are seeing the 'big four' supermarkets disposing of their sites at huge discounts – in Paisley an example of this is being redeveloped into a retail park.

PP – to end on positive note! Kilmarnock is a beautiful town, with fantastic historic buildings, and high quality niche independent retailers. They have a big out of town retail park which flourishes, and the town centre is redefining itself through its cobbled urban realm, train station, niche offer. The community, business and local authority leadership want to make it work and are doing it together. And it can work.

## **5. Town Centre Action Plan Update**

PP stated, the two year demonstration phase of the Town Centre Action Plan (TCAP) is drawing to a close. The partners and agencies involved in the delivery all met recently to start pulling together the outcomes and learning coming from this phase. The intention is to gather this information into a report early next year and to start sharing the learning as widely as possible.

This will be a much more comprehensive report than the TCAP update and summarise the two years of action and activity.

## **6. Any Other Competent Business**

Scotland's Towns Week (16 – 23 November) – sample posters were tabled. Contact STP for information on taking part and for support and resources.

Scotland's Towns Conference – takes place in the middle of Scotland's Towns Week, on 18 November in Falkirk. Sample programmes were tabled. Contact STP to book.

The World Towns Leadership Summit will be held for the first time and Scotland has been selected to host. It will be held on 15-16 June 2016 at Our Dynamic Earth, Edinburgh.

Stephen Leckie expressed his gratitude to the Group – it has been useful to gather information and to take away ideas from members.

## **7. Date of Next Meeting**

The next meeting will also incorporate the CPG's AGM and is the final CPG prior to the Scottish Elections. The meeting is to be held on Wednesday, 24th February 2016, at 1pm in Committee Room 1, Scottish Parliament.

## APPENDIX 1 – RECORD OF 4 NOVEMBER 2015 AGENDA

### Cross Party Group on Towns and Town Centres

13:00 – 14.30 Wednesday 4<sup>th</sup> November 2015

Committee Room 1, Scottish Parliament

### Agenda

Refreshments kindly supported by  
East Kilbride Shopping Centre

- 12:45 Meet in Parliament reception area
- 13:00 Welcome – Margaret McCulloch MSP, Convener
- 13:10 Minutes of Previous Meeting & Matters Arising – Margaret McCulloch MSP, Convener

#### The Changing Face of Scotland's Towns: New Routes to Success

- 13:20 Healthy High Streets Campaign
- Providing access to business expertise and resource to help high streets realise their potential.*
- Pete Vallance, Head of Region - Healthy High Streets Campaign at Business in the Community, and Democratic Services & Membership Manager, The Co-operative Group

13:30        The Future of Retailing  
Ian McLelland, Centre Director, East Kilbride

13:40        An Active Route to Town Vitality  
Paul Matthews, Engineering and Design Manager, Sustrans

13:50        Discussion on Presentation Themes

Town Centre Action Plan Update

14:00        Phil Prentice, Chief Officer, Scotland's Towns Partnership

14.10        Discussion

14:20        Any Other Competent Business

- (i)        Scotland's Towns Week
- (ii)       Scotland's Towns Conference

Date of Next Meeting

Wednesday 24th February, Committee Room 1 from 1pm

14:30        Close of Meeting

## **APPENDIX 2 – ATTENDANCE AT CPG ON 4 NOVEMBER 2015**

### **CROSS PARTY GROUP ON TOWNS AND TOWN CENTRES**

**WEDNESDAY, 4<sup>th</sup> November 2015 AT 13:00**

**COMMITTEE ROOM 1, SCOTTISH PARLIAMENT**

### **APOLOGIES AND LIST OF ATTENDEES**

#### **APOLOGIES**

Jackie Baillie MSP  
Angus MacDonald MSP  
Elaine Murray MSP

Garry Clark, Scottish Chambers  
Hew Edgar, RICS  
Eric Guthrie, Tactran  
Steve Hunt, Scottish Futures Trust  
Ross Martin, SCDI  
Geoff McCartney, Miconex  
Julie McLauchlan, SCDI  
Jim Metcalf, Carnegie UK Trust  
Nikola Miller, RTPi  
Alexander Nicoll, Intu  
Nairn Pearson, West Lothian Council  
Peter Quinn, Keep Scotland Beautiful  
Pete Reid, Falkirk Council  
Iain Scott, Can Do Towns  
Nick Wright, Nick Wright Planning

#### **ATTENDEES**

Convener: Margaret McCulloch MSP  
Deputy Convener: Chic Brodie MSP

Catherine Anderson, Vouch for That  
Jamie Baker, East Lothian Council  
Gordon Bell, The Retailer  
Councillor Allyson Black  
Elaine Bone, Economic Development Association Scotland  
Tom Bridge, Stagecoach  
Ian Fowell, Scottish Small Towns Group  
Jodie Gordon, Bellenden  
Derek Halden, Loop Connections  
Vilte Janusauskaite  
Tom Johnston, Colliers International/Scottish Chambers of Commerce  
Ann Le Bond, The Cooperative Group

Stephen Leckie, Crieff BID/Scottish Tourism Alliance  
Ewan MacDonald-Russell, Morrisons Plc  
Mark MacLean, Scotland's Towns Partnership  
Rebecca Mather, Scotland's Towns Partnership  
Paul Matthews, Sustrans Scotland  
Jacquie McArthur, Falkirk Council  
Barry McCulloch, FSB Scotland  
Ian McLelland, East Kilbride Shopping Centre  
Audrey Michie, Town Centres, Aberdeenshire Council  
Carole Noble, Keep Scotland Beautiful  
Phil Prentice, Scotland's Towns Partnership  
Dennis Rodwell  
Lindsey Sibbald, City of Edinburgh Council  
Tom Sneddon, DTA Scotland  
Professor Leigh Sparks, University of Stirling  
Pete Vallance, Cooperative  
Sunil Varu, ATCM Scotland  
Darah Zahran, Scotland's Towns Partnership