

20 December 2021

Economy and Enterprise OSC Scrutiny Review

Support provided to the Retail Sector by Durham County Council

**Joint report of Paul Darby, Corporate Director of Resources and
Amy Harhoff, Corporate Director of Regeneration, Economy and
Growth**

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 The report provides members with an update on the progress made in relation to the recommendations contained in the Economy and Enterprise OSC (E&E OSC) scrutiny review report looking at the support provided to the retail sector by Durham County Council (DCC).

Executive Summary

- 2 At a meeting of the E&E OSC held on the 2 November 2017 members of the committee agreed the terms of reference for the review with the aim of investigating and understanding how DCC works with key partners including the Area Action Partnerships (AAPs) to support the retail sector in County Durham. The review also identified any gaps in support and examined any actions by DCC and partners to address these gaps. It was agreed that the review would:
 - Examine and understand DCC's responsibilities for regeneration, economic development and planning with a specific focus on the retail sector.
 - Examine the retail sector nationally, regionally, and locally identifying challenges for the retail sector in County Durham.
 - Consider the role of DCC and key partners including AAPs in developing, promoting and delivering retail support in the county.
 - Examine with Commercial Letting Agents in the county the current process for marketing retail premises, the information provided by DCC to agents on the retail offer and any issues/challenges with the current process.

- Identify any gaps in current retail support in the county and examine any actions identified by DCC and partners to tackle gaps in provision.
 - Examine and understand the Durham BID.
- 3 The report was considered by Cabinet at the meeting on the 16 January 2019. At the meeting Cabinet were asked to agree the recommendations contained within the review report which included a recommendation for a six-monthly update in the progress made against the recommendations in the report. In addition, the report was shared with the County Durham Economic Partnership on the 26 April 2019.
 - 4 The committee received its third progress update and normally final update in relation to the recommendations at the November 2019 meeting. However, as a result of the impact of COVID 19 on our town centres it was felt by members when agreeing the work programme that there was need for a further update together with additional information in relation to retail support in the county.
 - 5 A progress update is attached as appendix 2 for members consideration and arrangements have been made for the relevant officers involved in the review to attend the meeting on the 20 December to answer any resulting questions.

Recommendations

- 6 Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note and comment upon the progress made in relation to the recommendations contained in the scrutiny review report.
- 7 That the Economy and Enterprise Overview and Scrutiny Committee note and comment upon the additional information provided in the report.

Background

- 8 Since 2009, considerable efforts have been made to improve the County's main centres, with a programme of masterplans produced to steer significant capital investment improving the built environment, commercial cores and town centre accessibility alongside targeted programmes of retail support.
- 9 These plans have been developed against a backdrop of change to high streets and town centres which have continued to evolve because of changing consumer trends, technology and what communities want. Over the past 15 years, the emergence of retail parks has had an impact and online shopping has changed the way we buy goods and access services. As a result, high streets have been increasingly

focused on improving the experience as an attractive place to dwell, shop, see friends, for eating out and entertainment.

- 10 Scrutiny Committee's 2019 retail review sought to understand how Council – and partner services could assist with the changes seen at a local level, ensuring existing and new retail operations could be supported and facilitated, while with a broader place leadership role, responding to longer term trends and changes in high street use
- 11 These changes also provide an opportunity to reconnect communities with their Hight Streets / neighbourhood parades as well as meeting other local priorities such as Housing, access to services and better public health. These themes have been embedded in the Towns and Villages Programme.
- 12 Most recently the Covid pandemic has accelerated the changes in our retail areas. ONS/ Springboard data for November shows that nationally footfall is at 45 percent compared to the same period last year. Before the pandemic, footfall had dropped over 10 per cent in the last 7 years. Internet sales had risen to 21 per cent of all retail sales at the end of 2019 compared to 7 per cent a decade earlier, and during the height of the national lockdown period in May this had jumped to nearly 33 per cent of all retail sales.
- 13 The Council's approach to retail support is driven by several interrelated factors these include:
 - The number of and varying needs of the County's retail centres
 - Retail markets and differing levels of demand
 - Differing funding availability

Retail centre needs

- 14 Each of the County's main centres continues to be the subject of a masterplan, developed against an evidence base which considers retail catchment / capacity, property occupancy and town centre accessibility.
- 15 For each of the centres currently subject to Masterplans the need is also being supplemented by a high-level retail gaps assessment, seeking to identify what sectors or uses are underrepresented. Recent investments including the current roll out of the Council's Digital High Street programme in most main centres provides further forms of data and intelligence around town centre usage which can help build a comprehensive picture of the use of each centre.

- 16 Understanding the needs of each centre and the potential opportunities provides further scope for targeted intervention or market engagement. A seminar session for members following the review provided further insight to the annual town centre surveys, a key evidence base for the vitality and change occurring.
- 17 New data sources such as wifi generated footfall and heat maps showing areas of higher pedestrian density are being considered as further additions to the survey reports, providing retail / service operators as well as property owners and agents standardised information to support the reletting or reuse of property, while aiding service understanding of day to day use of the centres.

Strategic co-ordination of service inputs

- 18 A significant feature of the retail review was the range of inputs to supporting retail operations made across the Council. To ensure we effectively deliver on the place agenda, the cross-service input needs to be embedded in three key areas:
 - our plans for Town centres,
 - Service delivery in towns and in support of retailers and
 - Identifying changes and emerging issues.
- 19 Recent reports to Economy & Enterprise Overview and Scrutiny committee have set out the process for delivering and updating masterplans for our main centres and Targeted Delivery Plans for smaller centres. These remain key tools in setting a vision for our centres and a document developed following broad internal and external consultation to ensure all relevant service intelligence, needs and planned delivery is captured.
- 20 These masterplans also provide strategic reference point for bidding for Council Capital resource and as we have seen in recent years through successive government funding programmes provide a key role in setting out the strategic rationale for funding bids.
- 21 Operationally arrangements for effective co-ordination vary from centre to centre reflecting the different circumstances faced by each of them. On a centre-by-centre basis, multiple service inputs are co-ordinated through regular tasking and co-ordination meetings between services, Technical Officer Group meetings bringing together key service delivery representatives as operated for Seaham, Bishop Auckland and Chester le Street) or external partnership structures such as exist for Newton Aycliffe and Bishop Auckland where internal and external partners support the transformation of the town centres.

- 22 Multi service and wider stakeholder groups also exist at AAP level dependent on locally adopted priorities. These wider groupings are also used for some discrete funding programmes most recently the Reopening High Streets Safely Fund and the Welcome Back Fund.
- 23 These joint working arrangements provide a focus on planning and sequencing of council interventions but also provide the opportunity for feedback and information sharing to inform iterations of our plans to support and improve the town centre offer.

Maximising Funding Opportunities

- 24 Support for changes to town centre operations has not traditionally been an area benefitting from significant external support, with Councils taking a lead in facilitating and encouraging private investment. This can be seen clearly in the Council's long-standing commitment to improving the public realm within main centres as a way of encouraging wider use and further investments.
- 25 Another significant area of Council support has been in providing targeted grant assistance to retail operations, improving, or supporting the conversion of premises to diversify the retail offer in key areas of our towns. This approach was set out in the review and remains a key tool in securing private investment to help transform our town centres, reducing vacancy and creating new employment opportunities
- 26 Property improvement and public realm enhancement are however areas where discrete funding programmes have been available, typically focussed on areas of particular heritage benefit or distress. At present this includes both the Seaham Townscape Heritage programme funded through the National Lottery Heritage Fund and the Bishop Auckland Heritage Action Zone supported by Historic England.
- 27 The pace of change and pressures felt across town centres are not unique to County Durham and at a national level competitive funds have emerged to provide resources which can accelerate the managed transformation of towns. The Future High Streets Fund and the subsequent Stronger Towns Fund form part of the governments support linking back to the 2018 Plan for the High Street.
- 28 This plan set out government proposals to cut business rates by a third for up to 90% of retail properties for two years alongside the creation of A £675 million Future High Streets fund created to invest in improvements to town centre infrastructure, reduce congestion, support redevelopment around high streets and enable housing and new workspaces to be created.

- 29 Durham County Council was able to submit four expressions of interest to the fund when it opened with Bishop Auckland invited to submit a full application. Awarded £19.86 million in December 2020, the bid is one of a small number nationally to secure all the requested funds and is the largest award in the North East.
- 30 As a recipient of future High Street Funding, Bishop Auckland was also selected by Government to participate in the Stronger Towns programme aimed at accelerating and managing the transformation of areas undergoing change. A funding submission of £46 million to help reposition the town as a major visitor destination has led to a funding award of £33.2 million with plans now under development to not only provide the infrastructure to support the transformation but also to undertake further town centre focussed works to ensure the towns offer meets the needs of both residents and visitors alike.
- 31 Against a backdrop of change and transition in town centres, the Covid pandemic has caused significant disruption to retail operations and in the early months led to a further round of retail closures. As part of the Government's pandemic response two rounds of funding have been made available and drawn upon across County Durham.
- 32 Reopening High Streets Safely announced in summer 2020 provided £469,256 to support projects to secure the return of town centre users as lockdown restrictions were released. In County Durham this funding has supported public reassurance marketing campaigns as well as retail business resource packs aimed at supporting independent businesses.
- 33 A further £569,256 along with the use of unallocated Reopening High Street Safely funding was allocated in April 2021. Again focussing on creating conditions to restore footfall in town centres, the programme of support includes deep cleans of public spaces, additional large capacity bins, further marketing campaigns, footfall generating events and work to complement the Digital High Street programme by developing a digital shopper loyalty solution.
- 34 The Covid recovery funding and programmed activity reflect the broad service inputs to managing and supporting businesses and town centre operations.
- 35 At the time of the retail review, Cabinet had agreed the concept of the Towns and Villages programme but much of the detail remained under development. Subsequent to the scrutiny review being reported many elements of the Towns and Villages programme – especially the strategic theme reflect the concerns originally noted by members
- 36 Support for property reuse, developing a package of retail training and support, addressing poorly maintained properties and the roll out of the

Digital High Street programme beyond the AAP pilots are essential elements of the £25 million Council investment which also includes £4.2 million of funding allocated directly to Area Action Partnerships to develop local projects in line with the programme themes.

Conclusion

- 37 Members will be aware of progress made in relation to the recommendations contained in the review report and how elements of the review have been incorporated into subsequent programmes and delivery plans.

Background papers:

None

Contact:

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Appendix 1: Implications

Legal Implications

None.

Finance

None.

Consultation

None.

Equality and Diversity / Public Sector Equality Duty

None.

Human Rights

None.

Climate Change

None.

Crime and Disorder

None.

Staffing

None.

Accommodation

None.

Risk

None.

Procurement

None