

Tourism and Business Committee – Monday November 7th 2016

Tenterden Market

Agenda Item 11

Following a recent visit by Trevor Ford (Environmental Protection and Licensing Team leader at ABC) the subject of Tenterden Market was raised.

I have attached his e-mail below which lays out the figures involved. TTC would not be involved in licensing enforcement, that would remain the responsibility of ABC.

Takeover would give us more say in the format of the market and allow us to encourage new stallholders.

Having funded the banner for the market, we store this on their behalf and have regular contact with the traders in any case. The additional administrative overhead would be relatively small.

Clearly further discussion needs to take place with both the traders and ABC

Proposals: That the takeover should be agreed in principle and brought back to council once full details are known.



Phil Burgess
Town Clerk

Impact on Crime and Disorder:	None
Impact on Bio-diversity:	None
Budgetary Impact:	Beneficial

Dear Robert/Phil,

As mentioned yesterday;

The Tenterden Street Market brings in a rental income of £5600 (15/16 income), and has the outgoings of £1900 (15/16) consisting of business rates, contribution to insurance, and electricity. On top of that we have Officer time.

Although this is just an initial thought, I would be interested to know whether the Town Council has any particular interest taking on the market management and promotion in order that the town can better develop the market to suit the needs of the residents/businesses and visitors? There isn't at this time any formal move to change the market management, but it would be useful to know what interest there is and how the market is best served.

At this stage we have not consulted with our Portfolio Holder (Cllr Brad Bradford) or the Market Traders, but I thought I would establish if there was any interest in the first place before considering whether any change was worth investigating.

Kind regards
Trevor.

The Next Steps for Revitalising High Streets in the UK

Introduction

On 12 October 2016, I attended an all-day conference with this title, organised by *Inside Government*, featuring 11 different speakers with presentations (sorry, *key note* presentations, no less) and case studies, and attended by about 60 delegates.

As many of the presentations and Q&A sessions overlapped or cross-fertilised each other, I have not tried to summarise each individually, nor have I tried to reproduce my 16 pages of notes; instead, I have set out key points and suggestions under a few main subject headings. I apologise in advance for the heavy use of buzz words, jargon and bullet points!

For those interested, a full timetable for the day and details of the speakers can be obtained from me: cllr.nelson@tenterdentowncouncil.gov.uk

Future-proofing the High Street

It was posited that High Streets are changing (or need to change) from being the venues for transactional relationships – simple buying and selling – to promoting “relational engagement”: the evolution of the High Street as a social hub; put another way, the High Street should not be just about retail, but should become an experience that draws consumers to enjoy it

The starting point for regeneration/preservation is physical: High Streets need to be clean, safe and green to be attractive; usually, this involves significant capital investment, but in Tenterden we have a head start that we can build on, for example –

- Combatting litter
- Combatting crime: Neighbourhood Watch, Community Speed Watch, TownNet Radio
- Tidying up and improving The Greens
- Preserving the architecture, having and enforcing design standards
- Decluttering street signs

The physical environment then becomes a good venue for providing content, which was summarised as –

- Community – being a good place for people to meet and take part in community life
- Economy – being a good place for retail and leisure alike
- Perception/attraction – being a place that people want to come to, whether local residents, residents of neighbouring areas or visitors from further afield
- Digital – see “Digital High Streets” below

For example, the Glastonbury festival is not just about the music – it is a whole experience formed around the music

It was pointed out that the march of progress has always brought changes to the High Street: think about the changes brought by the railways, refrigeration, mass car ownership and now the internet; it is a question of recognising the likely effects and adapting to them, rather than trying to ignore them. It is forecast that one-third of High Street retail jobs will have disappeared by 2025, and that 22% of outlets will have closed. To survive, town centres need to be both vital (busy) and viable (financially).

The Institute of Place Management (IPM: a visit to their website at <http://placemanagement.org/> is interesting) has identified 201 factors that affect vitality and viability; it took the 25 most important and plotted them on a graph, comparing the effectiveness of changing them with the extent to which they can be controlled – for instance, the location of a town is not controllable, because it cannot be moved; the extent of childcare facilities is highly controllable, but of little effect. A highly effective and highly controllable factor is opening hours: illustrated by the town whose shops were closed when numerous commuters walked through the town on their morning and evening journeys, and how business was transformed by opening an hour earlier until an hour later – though it took time for the fact of extended opening hours to become widely known. Jo Wynn-Carter, Ashford Borough Council's Regeneration Manager, commented that Ashford's "Support Sunday" with common opening hours among outlets, was very successful.

Notably, the top 25 factors do not include car parking, public toilets, benches, etc – because these are held to be *essentials*.

Until recently, towns used to be categorised according to the number of national and multi-national chains had outlets in them, but this is becoming less significant: largely because of online shopping, a business is now classified as a "national" if it has 80 outlets over the country, instead of 250 outlets a few years ago. Instead, based on footfall analysis over the year, IPM has a perhaps more useful way of classifying towns –

- 1 **Comparison shopping towns**, with multiple national/multi-national retail outlets, for which the pre-Christmas shopping surge is extremely important and which compete not with other types of town but with other comparison shopping towns
- 2 **Speciality towns**, typically a cathedral city or other historical centre, with a much earlier surge – particularly of visitors from further away
- 3 **Convenience/community towns**, whose shopping footfall is steady throughout the year, and which are focused on their community (opening times, events, etc); shoppers tend to be anchored to the town by work, home, public transport, food shopping, etc, and these towns need to offer a good mix of goods and services, while being accessible and locally connected. Recommendations for improving the resilience of the High Street in this sort of town include managing accessibility, increasing the concentration of the retail area (ie, accepting that outside that area retail will not be viable), improving reliability, providing good customer service, augmenting the retail offering (click-and-collect, free WiFi to increase the "dwell time" for visitors, pop-up shops and markets)
- 4 **Holiday towns**, whose surge is in summer (with a trough in winter), and where the anchor is likely to be the beach, rather than the town itself

Interestingly, markets – *if functioning* – will benefit the town as a whole, by attracting significant extra footfall in their own right. In that connection, see "Teenage Markets" below

It should be pointed out that footfall in itself is not necessarily an indicator of the economic health of the destination: there has to be profitable spending, too. However, footfall is a useful tool for analysis

Digital High Streets

The digital aspect seems to boil down to ensuring that the attractions, products and facilities are discoverable – which largely means discoverable online. The "omni-channel experience" (in store –

in street – online – mobile) was invoked, and much emphasis was placed on statistics showing that (a) people research their destinations online before deciding whether to visit and (b) people also research their shopping online before deciding to buy: typically, in the under 24 age group, a prospective buyer will rely more on advice from friends and online reviews than a visit to a shop. However, once a decision to buy has been (almost) made, a purchase at a local shop is at least as likely as a purchase online – *if the buyer knows the product is available locally*

As a result, many speakers were enthusiastic about the benefits of local retailers having an online presence: at the very least, a website (which must be mobile-friendly, as mobiles and tablets are more likely to be used than desktops or laptops) and preferably an involvement in social media that points prospective customers back to the website

Online retail expenditure in the UK was 1.6% of total retail expenditure in 2000, is 16% currently and is expected to be 22% by 2025 – leading to the statistics for High Street retail job losses referred to above

Big retailers already invest heavily in their online presence; central government is keen to encourage SMEs to “get switched on” as well – also to encourage the estimated 10 million non-connected citizens to get connected. To achieve the former, the DCLG is promoting a digital hub that is being piloted in Gloucestershire by the GFirst LEP: <http://www.thegrowthhub.biz/>. This is to be a source of independent advice for businesses wanting to get online, as well as grow in other ways

A digital presence can support, rather than undermine, the local High Street – as well as positioning local shops, etc, as able to supply what consumers’ online research leads them to buy, as mentioned above, click-and-collect or arranging delivery can help create a seamless shopping/consumer engagement –

- Reviews
- Offers
- Online ordering
- Collection/delivery

A digital High Street requires –

- Infrastructure: broadband, good mobile coverage, free WiFi (which apparently improves “dwell time” – encouraging visitors to linger)
- Skilled staff, able to handle digital as well as face-to-face sales and marketing – though it was recognised that full e-commerce websites would not suit every business
- High Street attractiveness (including sufficient parking)
- Community engagement, using social media, marketing to the right catchment area(s), understanding consumption patterns, etc

It does seem very clear that –

- If shops and other destinations do not have mobile-friendly websites, they will simply be invisible to many (and, as time goes on, more) potential customers; and
- If visitors to Tenterden cannot easily get online while here, they will not even start to look for shops, etc, they might be interested in patronising

Statistics provided by Nominet bear this out:

- 90% of consumers search online (called “showrooming”) before buying

- Showrooming is for different – and mixed – purposes:
 - 44% for inspiration
 - 53% for comparison
 - 31% for advice/reviews
 - 31% to make an immediate purchase – not necessarily online
- Digital engagement by businesses is proven to increase turnover: micro and small businesses with an online presence report on average £16,500 per year higher turnover than those without
- 53% of SMEs have at least a brochure website – so 47% do not have even that and so are effectively invisible to “digital natives”, who will therefore patronise their competitors
- Tradespeople get over 21 extra new business leads per year from their websites compared to businesses with no websites – comparable research for retail outlets is currently under way
- In the retail sector, over 40% of High Street shops have no website at all; over 55% have no e-commerce or online ordering facilities; over 80% have no social media presence

Nominet maintains that a website builds local knowledge of and a connection with the business – well, they would say that, but it does make sense. More details are available at www.tradebetter.online.uk and Nominet offers free guides for downloading

Delegates pointed out that e-commerce is very different from physical retailing and brings its own problems – not least, fulfilling online orders, and that it is very difficult for a small, local business to engage in e-commerce: it is not a magic bullet

A speaker from the Chartered Institute of Marketing also highlighted the need to comply with data protection legislation, and the benefits of going beyond that: explaining why a business wants personal data encourages a good relationship and it is in businesses’ interests to show they are trustworthy:

- using a secure domain – https//
- providing a geographic address
- providing a landline telephone number
- displaying clear terms and conditions of business and
- being clear about the business’s privacy policy

all go a long way to promoting trust as well as complying with the law

Apparently, while marketers generally agree (in theory) that a top marketing objective should be maintaining customers’ trust in a business, only 30% of marketers surveyed actually said this was in fact their top objective – it is easier to compete on price and special offers than to go through the hard slog of developing and maintaining trust in customer relationships

Hubs and pop-ups

This section is based on a rapidly delivered case study of the Camden Town Unlimited BID, whose Chief Executive started his presentation with the comments, “I hate hanging baskets” and “I hate loyalty cards”

He recommended fostering a digital community – a collective in his term – with hot-desking hubs for creative start-up businesses and pop-up shops, all with high online profiles. He referred to Camden’s use of a desk-finding app, which brought together those intermittently needing office facilities with

those who had such facilities to offer (which calls to mind the Town Business Manager suggestion that has been made in the current regeneration consultations) as an example of how technology, coupled with data that should be publicly available, can create an environment that supports business at no real cost

He recommended arranging coding courses and mentoring to help people start in business, and emphasised that the hubs and pop-ups he proposed pump-primes new businesses who then move on to take on more permanent premises, “fertilising” the business environment generally

As a result, landlords – who tend to be stuck in a traditional model that depends on stability and property inflation – can adopt a different strategy in hard economic times: by welcoming pop-up shops (and markets) and setting up business hubs, they enable users to grow into more established businesses capable of taking on more regular tenancies

Teenage markets

The Teenage Market - <https://theteenagemarket.co.uk/> - is a successful attempt to reinvigorate the market model of retail (shown, as mentioned above, to improve footfall for the benefit of “normal” businesses as well) by encouraging young entrepreneurs to sell their products and services through market stalls

Apparently, there are 16.2 million individuals aged between 15 and 24 in the UK, 85% of whom have smartphones, and 67% of whom aim to start their own businesses – a ripe market for the hubs and pop-ups referred to above, but also a means to revive the market model

Market businesses have shrunk by a half (since when was not stated) and employment in markets by 40%. 70% of market traders are over 50 years old – except in “cosmopolitan” areas with “boutique” markets

However, customers still want to buy via markets – witness the success of ebay, Amazon and Etsy

These apparently irreconcilable factors – young would-be entrepreneurs and market stalls – have successfully been brought together (to mutual benefit) through the Teenage Market; first in Stockport but now in some 25 locations throughout the UK, giving youngsters a free platform to sell their products and services and attracting more customers (young and old) and business to the market stallholders generally – though the Teenage Market can be run separately, indeed on a different day, if preferred

The Teenage Market provides guidance and templates for doing this locally (at a subscription of £1,000 for two years).

While some existing market traders have been hostile, most recognise the potential benefits and actual experience has proved the concept works

The Teenage Market also provides connections with local schools while revitalising the traditional market (and the High Street as a whole) and giving young traders a good start

One piece of relevant advice given was to “make young people part of the delivery, rather than trying to deliver for young people” – if young people are not part of the delivery, it will fail

Physical and financial aspects

This section is the result of the various Q&A sessions throughout the day.

It was pointed out that High Streets are where we can have high intensity housing, whether as a result of recognising (where appropriate) that the farthest extremities of the High Street are not good for retail, and allowing conversion to residential use, especially flats, or as a result of encouraging the full residential occupation of flats above shops that are currently empty: perhaps shopkeepers could be encouraged to let out the flats above, by reducing their business rates bill by x% of the extra Council Tax that was generated?

Business rates generally came in for criticism as killing the retail High Street; why should retailers be taxed based on the building they use for their business? Though this does not apply only to retailers, shops, pubs and restaurants are treated as high value properties, when the truth is they can bear probably less taxation than (say) a property developer operating out of a small suite of offices.

More business rate reform was suggested in the context of charity shops, which get 80% relief from rates automatically, and can sell donated goods using volunteer staff without having to make a living – merely to avoid a loss. Perhaps, at least, the rate relief should only apply in non-primary retail areas

It was claimed that many landlords of empty units are sitting tight, waiting for the economy to improve so they can let the units at full rents; meanwhile, they do not want to let them at reduced rents, as this would have a knock-on effect, reducing rents (or at least holding them steady) on units that are occupied. In the case of empty Listed Buildings, the exemption from rates means there is no actual cost to a landlord of keeping a unit in such a building empty

There have been examples of councils working with landlords, concentrating the retail frontages and freeing up the more distant units for high intensity residential use (as mentioned above)

Jo Wynn-Carter, Ashford Borough Council's Regeneration Manager, commented that ABC has a database of landlords and has managed to reduce its unit vacancy rate from 19% to 11%. I do not know whether the database includes Tenterden properties and their landlords, but it should

Great British High Street

This was promoted as a source of good ideas and practice - <http://thegreatbritishhighstreet.co.uk> - as well as worth entering in its own right: the appropriate category for Tenterden is *Best Market Town – small (under 10,000 population)*. If Tenterden were to decide to enter, it would need to find a business champion as leader, rather than anyone from the council, or the effort will be wasted; in addition, tourism, the arts and sports should be involved as partners

Several multi-outlet operations have signed the *Great British High Streets Business Pledge* (it trips off the tongue!), pledging to use their skills and resources to help High Streets achieve their full potential. This means they should support any good initiatives to improve and sustain the High Street and the businesses there generally. Signatories of interest in the context of Tenterden are Boots, Enterprise Inns, Holland & Barrett, Café Rouge, John Lewis, Marston's, the Post Office, Shepherd Neame

Cllr Justin Nelson - 15 October 2016 – cllr.nelson@tenterdentowncouncil.gov.uk