

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

HELD ON WEDNESDAY, 7 DECEMBER 2016, 6PM – 7.30 PM

COMMITTEE ROOM 5, THE SCOTTISH PARLIAMENT

kindly supported by the Scottish Retail Consortium

Attendees and Apologies (Appendix 2)

1. Welcome and Opening Remarks

John Scott welcomed all to the meeting including colleagues, Deputy Convener, Gillian Martin MSP along with Peter Chapman MSP and Graeme Simpson MSP.

2. Minutes of Previous Meeting of the Cross Party Group & Matters Arising

The Minutes were proposed by Gillian Martin. There were no matters arising from the Minutes.

3. Towns Mean Business

3.1 The Ideal Retail Mix - Keith Hargest, Hargest Planning Ltd

A copy of this presentation is available on the Scotland's Towns Partnership website or from the Secretary. The following summarises main points only.

K Hargest gave an overview of the long term factors affecting retail in towns -Resale Price Maintenance Act 1964; increased accessibility and reduce cost of travel (time and money); and internet based retail. Towns are evolving and we have to recognise, adapt and steer in the direction of change. Retail in towns is a 19th century phenomenon.

Detail was provided on the number of retail units in small, medium and large towns.

Observations on changes to the retail mix: total number of retail goods and service units is broadly constant; comparison goods shops declined in numbers; service unit have grown significantly; and vacancies in the long term remained broadly constant.

KG highlighted changes in the largest city and town centres and provided figures on retail spend per capita; growth of the internet; forecast growth in expenditure. The implications are, continuation of trends; uncertainties such as internet growth and Brexit; continued loss of retail goods shops and floorspace from small/medium town centres; continued growth of retail services – become principal commercial activity in small/medium town centres; and larger centres – market concentration here, less units but more floorspace and turnover.

Small/medium town centres, find it difficult to compete on price and range; they can be sensitive to the local market on quality; and service is the greatest potential.

3.2 How are Town Centre Business Doing? - Laura McKelvie, Policy and Public Affairs Assistant, FSB Scotland

A copy of this presentation is available on the Scotland's Towns Partnership website or from the Secretary. The following summarises main points only.

L McKelvie (LMcK) gave an overview of the work of FSB Scotland.

In terms of town centre business, there is presently a strong focus on communities and community development. For example, December's Small Business Saturday campaign, encourages people to shop local. As part of a drive towards this, FSB involved MSPs in their local towns. The visits highlighted the diversity, local produce and uniqueness of shopping local.

FSB calls on Scottish Government to, put local economies first; wire Scotland for the future; create the right rules for small business; help small business grow and; tax fairly and spend locally. More on this campaign at 'ibacksmallbusiness.scot'.

In February, FSB will launch an interactive map showing Scotland's self-employment hot-spots detailing the proportion of people who work for themselves in 479 Scottish towns, cities and suburbs. Examples of business profiles were cited from Aberdeen and Orkney.

3.3 Retail, High Streets and Transformational Change - Ewan MacDonald-Russell, Head of Policy and External Affairs, Scottish Retail Consortium

A copy of this presentation is available on the Scotland's Towns Partnership website or from the Secretary. The following summarises main points only.

E MacDonald-Russell showed stats on sales, vacancy and footfall.

Shop prices have fallen for 43 months. November Shop Price Index -1.7%. The driver is fierce competition and online, but also low commodity prices and value of sterling, especially recently.

How are people shopping? – The shift to online continues: a challenge in providing a seamless multi-channel proposition; people take fewer shopping trips but are prepared to travel further to make a day of it; and the immediacy of online shopping and advancement of supply chain technology means products are easily available at short notice, leading to shoppers having no need to buy in advance.

Online food sales make up 22%, 12-month average growth, 10.8%, overall online penetration 15%. Online shopping increasingly done through mobile phones rather than desktop. More than 50% of hits on retailers' websites are from mobile phones.

What effect is public policy having? – Cost to consumers is a priority; government policy is increasing the cost of people and property, for example, business rates and large business supplement, apprenticeship levy and costs of employment. Future issues are Brexit and productivity and innovation.

Final Thoughts – The retail industry is going through enormous change; trading conditions are very competitive; economic challenges in 2017 changing high streets significantly as a consequence; and public policy needs to evolve in response to these pressures.

3.4 Shopping Centres: Working Together with Communities and Town Centres – Alexander Nicoll, Corporate Responsibility Director, Intu Properties Plc

There are no slides available for this presentation.

Customers expect more, quicker, better and good value. Working together is key, be it a shopping centre, shops, markets – you need to work together. Technology doesn't stand still – the customer is more impatient - retail need to keep up.

No town has been around forever, communities change. Braehead has a positive footprint - employing local people; being a successful business and attracting global and local retailers; and engagement with local college sees them employing nearly 5% in local area and still reaching out to employ apprentices and create work experience opportunities. You have to make relationships. We still operate as a country in too short term a scale. In terms of partnerships, AN was proud through ATCM to be part of the World Towns Leadership Summit with Scotland's Towns Partnership, BIDs Scotland and International Downtown Association.

ATCM has a Purple Flag scheme to celebrate the benefits, e.g. jobs, of evening economy and deal with some of the negative things. Intu work with Revo and the Scottish Retail Consortium/British Retail Consortium, to deal with some of the issues that constrain e.g. business rates, bearing in mind pressure on rental levels.

More jobs could be grown if government, business and people could invest for tomorrow, today. The problem lies with Westminster – it's jam tomorrow.

The community are our employees. Intu tries to create an experiential brand that changes lives.

3.5 Be Careful How you handle Charities – Phil Prentice Chief Officer Scotland's Towns Partnership

PP introduced and welcomed Matt Kelcher from the Charity Retail Association - the latest member of STP and about to commit to staff resource in Scotland.

PP displayed a slide illustrating the economic impact of charity retail in Scotland – available from the Scotland's Towns web or the Secretary.

3.6 Discussion

John Scott asked if the planning system is fit for purpose. Keith Hargest (KH) expressed a personal view that the planning review that took place is tinkering around edges. There are basic conflicts about speed and efficiency, decision making time, especially when comes to town centres. The policy is never really challenged. Alexander Nicoll (AN) added that often others' interests unfairly represented can affect the planning outcome adversely, to avoid harming own business interests.

Ewan MacDonald-Russell (EM-R) suggested these changes needed to happen a decade ago.

Phil Prentice (PP) commented that we heard a lot about retail but it would be interesting to know about trends in non-retail small businesses. Some hubs create activity other than retail.

On Leigh Sparks' point on lessons for digital engagement, EM-R said level of infrastructure being variable means it's easier in big places where 4G or big retailers who can offer the right digital in-store provision. Other areas can be patchy. AN added that Intu took a decision to digitally enable their entire estate. Important to cover how people can opt out, offer their rights etc. so they are not disturbed. Important to bring people the benefits of technology whilst not leaving others behind.

Jack Duffy (JD), Town Centre Activities, North Lanarkshire mentioned there is free WiFi in six North Lanarkshire towns, with security cameras being the access points. An issue is that retailers themselves are not digital savvy. PP added that digital is one of key action areas in the Town Centre Action Plan and STP has been looking at what this means in the town centre. There has been a dive towards a proliferation of provision in towns which hasn't necessarily been best practice. The skills provision is critical. A report on best practice guidance will be provided by STP in the New Year. JD added, each town has a platform for retailers to share offers with consumers. AN highlighted that future technology such as virtual reality goggles will change the need for large space units e.g. DFS furniture allow you to view furniture on VR goggles. EM-R emphasised that amazing customer service and local relationships are still required in smaller places even

with digital. Leigh Brown noted that we talked about changes in the high street and asked about the importance of a manager in the town or BID area to manage the change process. AN agreed this is essential. Good place management needn't be cost heavy. You need people to get people talking. We need more of them. KH stressed that we must think of a town centre as a whole place.

James Trolland asked what will be the new industrial policy – will it be digitally based; how does Scotland embrace that and what are the jobs? Robert Singer responded saying, creativity will be the future industrial policy. PP agreed, saying there will be a shift – also in house building. EM-R does think we need to position Scotland correctly. LMCK echoed EM-R's view, adding, we are training young people for jobs that don't exist.

Cllr Ian Ferguson mentioned that his town has missed out on an important improvement through a planning decision. How can the Town Centre First message get to planners? PP responded, saying the policy is at the start of its journey - councils are signed up, private sector such as Abellio, and with Carnegie being the first of the third sector. We'll lose some battles but it is starting to embed. KH mentioned that in the Fife Plan, the policy has a narrower in scope than the government TCAP. In terms of planning, it's used narrowly in a sequential vote.

AN commented that three years ago Intu's digital department employed eight – it now employs over 100 and the majority of employees are young people. Coffee has changed the jobs market too. Education – referencing Retail Gold in England – acknowledged that young people who didn't want FE/HE, want to work. Intu now partnering with colleagues to share employability skills and then offer work at their shopping centres. There's a lot of opportunity for small business to add high value to town centres with technology like VR.

4. Town Centre Action Plan Update – Phil Prentice, Chief Officer, Scotland's Towns Partnership

With the demonstration phase coming to an end, Scottish Government has taken the evidence and an evaluation will be published in quarter 1 next year. STP will issue widely to demonstrate progress.

Last night in Scotland, Lochgelly won Most Improved Town.

Next year is the year of History, Heritage and Archaeology, so an opportunity to get involved.

5. Any Other Competent Business

There was no other business raised.

6. Date of Next Meeting

The next meeting will take place in Committee Room 2 on, Wednesday, 8th March from 12:30 – 14:00. The theme to be discussed is Digital Towns.

APPENDIX 1 – RECORD OF 7TH DECEMBER 2016 AGENDA

Cross Party Group on Towns and Town Centres

18:00 – 19:30, Wednesday, 7th December 2016

Committee Room 5, Scottish Parliament

Agenda

‘Towns Mean Business’

Refreshments kindly supported by the Scottish Retail Consortium

- 17:45 Meet in Parliament reception area
- 18:00 Refreshments
- 18:10 Welcome and Opening Remarks – John Scott MSP, Convener
- 18:15 Minutes of Previous Meeting of the Cross Party Group & Matters
Arising – John Scott MSP, Convener

Towns Mean Business

- 18:20 The Ideal Retail Mix - Keith Hargest, Hargest Planning Ltd
- 18:30 How are Town Centre Businesses Doing? - Laura McKelvie, Policy and Public Affairs
Assistant, FSB Scotland

- 18:40 Retail, High Streets and Transformational Change – Ewan MacDonald-Russell, Head of Policy and External Affairs, Scottish Retail Consortium
- 18:50 Shopping Centres: Working Together with Communities and Town Centres – Alexander Nicoll, Corporate Responsibility Director, Intu Properties Plc; Chair, ATCM; and Chair, Revo Community Engagement Working Group
- 19:00 Be Careful How you handle Charities – Phil Prentice, Chief Officer, Scotland's Towns Partnership
- 19:05 Discussion

Town Centre Action Plan Update

- 19:20 Scotland's Towns Partnership update, reported by Phil Prentice, Chief Officer, Scotland's Towns Partnership
- 19:25 Any Other Competent Business
- 19:30 Close of Meeting

APPENDIX 2 – ATTENDANCE AND APOLOGIES FOR THE CPG ON 7 DECEMBER 2016

Cross Party Group on Towns and Town Centres

18:00 – 19:30, Wednesday, 7th December 2016

Committee Room 5, Scottish Parliament

APOLOGIES

Jane Atterton, SRUC
Simon Baldwin, Destination 66
Valentina Bold, Glasgow University
Colin Corland, FSB Scotland
Cllr Johanna Boyd, Stirling Council
Louise Casenave
Barbara Cummins, Historic
Environment Scotland
Ian Davison Porter, BIDs Scotland
David Grove, Fife Council
Ros Halley, Tartan Jigsaw
Eileen Howat, South Ayrshire Council
Marie Johnson, Newmilns Regeneration
Association
Tom Johnston, Scottish Chambers of
Commerce
Sarah Kennedy, Fort William Town
Team
Reeni Kennedy-Boyle, Fyne Futures
Cllr Jenny Laing, Aberdeen City Council
James Ledgerwood, Abellio ScotRail
Roseanne MacKay
Bernadette Malone, Perth and Kinross
Council
Ross Martin, SCDI
Daniel McKendry, A+DS
Yvonne McLellan, Scottish Greens
Cllr Ian Miller, Perth and Kinross
Council
Belinda Miller, Aberdeenshire Council
Dianne Miller
Fergus Murray, Argyll and Bute Council
Robin Osterley, Charity Retail
Association
Nairn Pearson, West Lothian Council
Mary Pitcaithly, Falkirk Council
Dennis Rodwell
Beria Rodwell
Janice Ross, Vale of Leven Trust
Bill Sadler, The Grantown Society
Jeremy Sainsbury, Natural Power
Anna Watt, Lloyds TSB Foundation

ATTENDEES

Stuart	Baxter	East Lothian Council
Gordon	Bell	The Retailer Group
David	Bell	Ayr Renaissance
Elaine	Bone	Scotland's Towns Partnership
Ray	Boyle	New Consensus
Leigh	Brown	Perth and Kinross Council/ATCM
John	Corbett	Saol Community
David	Cowan	Scottish Government
Tom	Donaldson	One Dalkeith
Jack	Duffy	North Lanarkshire Council
Cllr Ian	Ferguson	Fife Council
Ian	Fowell	Scottish Small Towns
Keith	Geddes	Pagoda Porter Novelli
Keith	Hargest	Hargest Planning
Derek	Harper	Eden Project
Moira	Henderson	Cupar and North Fife Tourism Association
Paul	Holmes	FreshAyr
Adam	Johnson	Shout Business Solutions/Melrose Living
Matt	Kelcher	Charity Retail Association
David	Lonsdale	Scottish Retail Consortium
	MacDonald-	
Ewan	Russell	Scottish Retail Consortium
Cathy	Maclean	West End BID
Gillian	Martin	MSP
Laura	McKelvie	FSB Scotland
Eva	Milroy	Crichton Institute
Donald	Morrison	ABB Scotland
Will	Motion	Energy Edge
Alexander	Nicoll	Intu Properties
Caroline	Parkinson	Interface
Phil	Prentice	Scotland's Towns Partnership
Ewan	Robertson	Scotland's Towns Partnership
Angus	Ross	
John	Scott	MSP
Lucy	Schofield	East Lothian Council
Graham	Simpson	MSP
Robert	Singer	FreshAyr
Tom	Sneddon	DTAS

Prof Leigh

Pam
James
Julie
Derek

Sparks

Taylor
Trolland
Twaddell
Wilson

University of Stirling/Scotland's Towns
Partnership
One Dalkeith
Stranraer Conservation Area Regeneration
Scheme

Prestwick Community Council