

**REPORT TO:** SCRUTINY PANEL A                      **DATE:** 13 SEPTEMBER 2016  
**HEADING:** ENCOURING SMALL/MEDIUM BUSINESSES INTO ASHFIELD AND  
FILLING EMPTY SHOPS/UNITS.  
**PORTFOLIO**  
**HOLDER:** ECONOMIC GROWTH  
**KEY DECISION:** NO                      **SUBJECT TO CALL-IN:** NO

## **1 PURPOSE OF REPORT**

In June 2016, following consultation on the Scrutiny Workplan, the topic of empty shops/units and what Ashfield District Council is doing to encourage and support small and medium businesses into Ashfield was added to the Workplan.

Members are keen to explore and understand what actions and plans the Council already has in place to encourage the local economy through supporting and assisting small to medium businesses and what more could be done to ensure that empty shops and units are occupied.

This report outlines the main objectives of the Panel in considering this topic and provides some national and local context. In attendance at the meeting to provide Members with up to date information on the issue will be the Ashfield and Mansfield Regeneration Manager.

## **RECOMMENDATION(S)**

Members of the panel are asked to;

- 1 Consider the information contained in this report
- 2 Adopt a clear terms of reference, setting out objectives, information and methodology
- 3 Consider any areas for improvement

## **2 REASONS FOR RECOMMENDATION(S)**

As stated above.

## **3 ALTERNATIVE OPTIONS CONSIDERED (with reasons why not adopted)**

This is the first meeting of the Panel considering this topic. Any options or considerations put forward will be discussed at the meeting and reported back in due course.

Scrutiny can put forward recommendations to Cabinet relating to any topic that it considers. These recommendations will be supported with sufficient reasoning to allow Cabinet Members to give due consideration to any alternative options put forward by the Committee.

## **5. Background and Reasons for Review**

This review was identified and agreed as part of the Scrutiny Workplan in order for Members to consider the actions that have already been taken to encourage small and medium businesses into Ashfield, the impact this has had and to examine whether there are any other actions that could be taken to help bring back into use empty shops and units in the district.

A draft Terms of Reference is attached as Appendix A for Members to consider and discuss the most effective method of adding value to this area. This includes;

- What information may be needed;
- People the Panel may find useful to interview;
- Anticipated outcomes;

## **Strategic Context**

There are a number of corporate and shared documents that has identified regeneration and supporting businesses as a value or priority. In addition to this the Place Survey asked a number of questions in relation to perceptions of town centres, which may be useful when considering the topic by examining the “shoppers” perspective.

## **Corporate Plan 2016 - 2019**

One of the values identified in the Corporate Plan is for Ashfield to be “Enterprising, Ambitious and Innovative”. This will be achieved by being ambitious about Ashfield’s future and improve the district and the services we offer, by being more creative, open minded, innovative and commercially focussed.

Ashfield District Council has provided high quality business support through the “Ambition for Ashfield and Mansfield” programme. However, in the light of current Government policy, which has moved away from grants to more loan based investment instruments, a more relationship based way of working will be required like having an account manager for key businesses sectors. This will provide a “one stop shop” approach and a stronger economic intelligence base, which itself will then inform future plans.

The Aim is to create “Vibrant town centres, which provide destinations for a variety of goods and services”. Ashfield District Council has and continues to prioritise work on its principal town centres to ensure that they can provide high quality goods and services for residents, along with visually attractive destinations that people want to visit. The Council priorities include Hucknall Town Centre relief road, Sutton Town Centre indoor market and the Fox Street development and further work to Kirkby Town Centre. The Council also intends to continue to work with landlords to bring vacant premises back into use and to continue programmes to help refurbish shop fronts, along with associated business advice.

## **Ashfield and Mansfield Economic Masterplan**

Both Ashfield and Mansfield District Council, working in partnership with other local organisations, recognise that there is a shared interest in achieving local economic growth and attracting and retaining investment, whilst improving our towns and the lives of people who live here.

The Ashfield and Mansfield Joint Economic Masterplan is a document that provides a view of how to best achieve this, acting as a catalyst for action and investment in the three key areas that were identified: People, Businesses and Place.

One of the five themes identified within this document is “Enterprise” with the Supporting action to “Support pre-start, new and existing local businesses. It is critical that local business support is maintained within the area.”

This Theme is focused on supporting new and existing businesses in Ashfield and Mansfield. Although growth sectors and attracting investment are vital, future prosperity and increasing productivity also relies on new local businesses being created, good survival rates and a better rate of churn. The area has a larger than average proportion of Small and Medium Enterprises (SMEs) - mostly those with less than 50 employees - but business start-ups and self employment still lags behind the UK average.

It is important that this local focus on business support is maintained as the Business Link service reduces and local models evolve. Ashfield and Mansfield must be seen as a supportive environment for businesses with tailored business support, including coaching and mentoring, being easily accessible.

Proposed key actions:

- Help to shape the level of business support available locally
- Understand local business support to ensure maximum benefit for pre-start, start-up and established businesses
- Increase levels of enterprise and entrepreneurship through coaching and support for pre-start and start-up businesses
- Promote the development of local Enterprise Clubs to encourage self-employment
- Improve access to finance for SMEs through targeted interventions
- Maximise the potential of public procurement opportunities to support local businesses
- Facilitate social enterprise and work with the third sector to ensure vital services to the community can continue through sustainable business models

## Place Survey 2016

In the recent Place Survey, published in April 2016, three questions were included in order to measure of the quality of the town centres within the district. The range and quality of leisure facilities such as cafes, restaurants and pubs elicits the most positive response, with 68% of residents describing these as good. A similar proportion (64%) describe the range and quality of food shops as good. However, the range and quality of non-food shops are only described as good by a minority of 44%. A similar proportion (40%) describe this non-food retail offer as poor.

The detail of the responses given on each of these aspects of town centres is shown in the table below. While 22% of residents describe the range and quality of food shops as very good, at the other end of the scale 16% of residents describe the range and quality of non-food shops as very poor.

**Thinking about the town centres within Ashfield, how would you rate...? (All responses)**

	<b>Very good</b>	<b>Fairly good</b>	<b>Neither good nor poor</b>	<b>Fairly poor</b>	<b>Very poor</b>	<b>Don't know</b>
The range and quality of food shops	22%	42%	13%	14%	7%	2%
The range and quality of non-food shops	13%	31%	14%	24%	16%	2%
The range and quality of leisure facilities such as cafes, restaurants and pubs	20%	47%	12%	12%	5%	4%
<b>Unweighted sample base: 1,000</b>						

## **National Context**

There are approximately 46,000 empty shops and units on the UK high streets. Whilst the speed of shop closures has slowed down somewhat since the 2008 recession, with the lowest closure rate for five years, according to PwC research compiled by the Local Data Company (LDC), e-commerce has provided another challenge to the high street.

Shoppers are now spending half the money they spend online with companies that exist purely on the internet, official data shows. Stores with no permanent physical presence on the high street or out of town shopping parks, such as Asos and Amazon, took nearly 50p in every £1 spent with online retailers in 2015, according to figures from the Office for National Statistics.

This is up by nearly a quarter since 2010, when 41p of every £1 via the internet was spent in "online only" shops. For the first time consumers said they bought more of their purchases on the web than in stores, according to an annual survey of more than 5,000 online shoppers by United Parcel Service Inc.

It is claimed that Shoppers now make 51% of their purchases on the web, up from 48% in 2015 and 47% in 2014, according to the survey, which polled shoppers who make at least two online purchases in a three-month period, excluding groceries.

Despite the trend towards online shopping the data also shows 88% of all shopping in UK is still done in physical stores, suggesting that there are still opportunities for the high street

One area that has seen a growth is pop-up shops. According to a study by telecoms company EE, almost a third of new businesses launched in the UK over the next two years will start as a pop-up. The phenomenon was promoted by retail consultant Mary Portas and the then-communities minister Eric Pickles as a way to regenerate high streets in the aftermath of the 2008 recession.

## **Next Steps**

To assist the Panel in considering this issue, Ashfield and Mansfield Regeneration Manager will be in attendance to discuss;

- What the main challenges are that ADC face with regards to filling empty shops/units etc;
- How are small/medium businesses being encouraged to set up in Ashfield;
- What ADC is currently doing regarding high street issues;
- How the Portas funding is being spent;
- How many empty shops / units we currently have (with costs).

In considering this topic, Members of the Scrutiny Panel will need to consider the following;

- Setting a clear focus for the review (avoiding duplication of work already being carried out);
- Policy context
- creating and supporting sustainable businesses in Ashfield
- Impact of empty shops on local economy
- Anticipated outcomes

## **6. IMPLICATIONS**

### **Corporate Plan:**

Economic Regeneration is an important priority identified in the Council's Corporate plan 2016 - 2019, with increasing the number of business start ups, Increasing business survival rates and Reducing vacancy rates of shops and commercial units identified as desired outcomes

### **Legal:**

There are no legal implications contained within this report. Advice will be sought following the initial meeting should any legal issues be presented.

### **Financial:**

There are no financial implications arising from this report. However advice and information will need to be gathered from finance to allow Members to gain an understanding of the financial implications associated with empty shops/units and wider economic impacts following the initial meeting and before any recommendations are considered.

### **Health and Well-Being / Environmental Management and Sustainability:**

There are no Health and Well-Being / Environmental Management and Sustainability implications contained within this report. Advice will be sought following the initial meeting should any issues be presented.

### **Human Resources:**

There are no human resource issues contained in this report. It is recognised that should any human resource issues be raised in the reviewing of this topic, advice will be sought.

### **Diversity/Equality:**

There are no Diversity/Equality issues contained in this report. It is recognised that should any Diversity/Equality issues be raised in the reviewing of this topic, advice will be sought.

### **Community Safety:**

There are no direct community safety implications associated with this report.

### **Other Implications:**

there are no immediate implications arising from this report.

### **REASON(S) FOR URGENCY (if applicable)**

N/A

## **BACKGROUND PAPERS**

Corporate Plan  
Ashfield and Mansfield Economic Masterplan

## **REPORT AUTHOR AND CONTACT OFFICER**

Mike Joy, Scrutiny Manager  
Tel: 01623 457232  
Email: [m.joy@ashfield-dc.gov.uk](mailto:m.joy@ashfield-dc.gov.uk)

**Ruth Dennis,**

**Assistant Chief Executive (Governance) & Monitoring Officer**

## Appendix A – Draft Terms of Reference

Review Topic	Encouraging small/medium businesses into Ashfield and filling empty shop units.
Rationale	<p>Scrutiny Members are keen to understand what the Council already does to support small / medium businesses and what more could be done, with a particular focus on filling empty shops / units.</p> <p>The Scrutiny Panel prioritised this review when agreeing its work programme for 2016-17</p> <p>Encouraging small/medium businesses into Ashfield and filling empty shop units.</p>
Purpose of Review/Objective	To identify how the Council currently supports small and medium sized businesses and what further support is possible. This includes considering what is currently being done to fill empty shops/units.
Indicators of Success	<ul style="list-style-type: none"> <li>• Good quality engagement with stakeholders that delivers a range of opinion.</li> <li>• Broad agreement on recommendations amongst Panel Members, Officers and stakeholders. The majority of recommendations are agreed by the Cabinet.</li> </ul>
Methodology/ Approach	<ul style="list-style-type: none"> <li>• Evidence sessions with officers and witnesses</li> <li>• Document and Policy review</li> <li>• Considering what could be learnt from other Local Authorities</li> </ul>
Specify Witnesses/ Experts	TBC following meeting
Specify Evidence and Information Required.	TBC following meeting