



Birmingham's Local Centres

BIDS
residents
Teams
local
shopping
resources
community
Planning
retail
vitality
centres

A report from Overview & Scrutiny





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Preface

By Cllr Ian Cruise, Chair of the Birmingham Economy & Jobs Overview & Scrutiny Committee



The City Council has had a long standing commitment to local centres that recognised the importance of Birmingham's extensive network of over 70 local centres.

However, in the current economic climate it is getting more and more difficult for the City Council to support local centres with funding.

The Birmingham Economy & Jobs Overview and Scrutiny Committee therefore agreed to focus our second inquiry on Birmingham's local centres – their role in our city and the City Council's changing role in supporting them.

We took evidence from Councillors, officers and from those involved in their local centre, or with an interest in seeing local centres retain or regain their vibrancy and I would like to thank them for their time and input.

We found that there is a lot of good work happening, particularly with the Business Improvement Districts, and we're keen to see that this is maintained. The continued support for local centres through officers within the Planning and Regeneration team and the Cabinet Member for Development, Jobs and Skills commitment to local centres and his intention to review the current strategy is also to be welcomed.

Our recommendations focus on supporting the refresh of the Local Centres Strategy and helping Councillors support their local centre in the most efficient way.



Summary of Recommendations

	Recommendation	Responsibility	Completion Date
R01	<p>That the Local Centre Strategy is refreshed in line with the objectives as submitted to this Inquiry, i.e.</p> <ul style="list-style-type: none"> • Set out the strategy for local centres in light of the recent research undertaken for the Birmingham Development Plan; • Set out the requirements for local centres improvements in preparation for the introduction of the Community Infrastructure Levy; • Work with the Districts and local partnerships in identifying key actions/priorities for public and private sector investment; • To inform future funding bids; • Understand why properties are left void and actions to tackle them; • Continue to develop models of business partnerships to lead the management of centres; • Focus on creating employment opportunities with businesses in the local centres. <p>As part of the refresh, the current classification of local centres should be revisited and any revisions arising from this incorporated in the next version of the Birmingham Development Plan.</p>	<p>Cabinet Member Development, Jobs & Skills</p>	<p>October 2013</p>
R02	<p>District Committees, as part of their District Plans, to identify actions to improve their individual local centres and set priorities for funding if available. This should be carried-out with local partnerships, including Business Improvement Districts (BIDs) and be supported by the District Structures and the Planning & Regeneration Service. The Cabinet Member for Development, Jobs and Skills to incorporate within the Local Centres Strategy proposed at R01.</p>	<p>Cabinet Member Development, Jobs & Skills</p> <p>Executive Members for Local Services</p>	<p>October 2013</p>



	Recommendation	Responsibility	Completion Date
R03	That funding devolved to Districts can be "carried over" where the funds are linked to a specific project contained within a local centres plan, to allow Wards to plan on a longer term basis and support larger projects in that locality.	Leader	May 2013
R04	That major capital projects are directed and encouraged, and where possible facilitated to support the needs, health and vitality of local centres. This principle to be included in the refreshed Local Centres Strategy.	Cabinet Member Development, Jobs & Skills	October 2013
R05	Where any corporate resources are available to support local centres, levels of deprivation should be explicitly taken into account, alongside the health of the local centre.	Cabinet Member Development, Jobs & Skills	October 2013
R06	That the owners of properties in local centres, including the City Council, are encouraged to consider options available to them for filling empty properties, for example "meanwhile" leases ¹ .	Cabinet Member Development, Jobs & Skills	September 2013
R07	That a report is presented to this Committee on the cost of sending out invoices for BID levies and options for cutting the cost of this.	Deputy Leader	September 2013
R08	That the costs of collecting BID levies from the five city centre BIDs are explored to ascertain if there are possibilities to subsidise the further development of suburban BIDs across Birmingham's local centres.	Deputy Leader Cabinet Member Development, Jobs & Skills	September 2013
R09	That the options available to the City Council, in conjunction with other stakeholders, such as setting-up special purpose vehicles to support regeneration of local centres, are explored to demonstrate the benefits and disadvantages.	Cabinet Member Development, Jobs & Skills	September 2013

¹ A "temporary lease granted to tenants such as local voluntary or charitable groups, which permits the use of a vacant business property temporarily for a non-commercial purpose, while explicitly recognising that the landlord is looking for a tenant that will take a commercial lease of the premises."



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	Recommendation	Responsibility	Completion Date
R10	That a Local Centres Project Board is set-up to lead and coordinate work on local centres, ensuring that: the principles of the Local Centres Strategy are incorporated in the development of major and local projects; that good practice is shared; that priorities for future funding are established; and that competition for funding between local centres is kept to a minimum.	Cabinet Member Development, Jobs & Skills Executive Members for Local Services	September 2013
R11	Progress towards achievement of these recommendations should be reported to the Birmingham Economy & Jobs Overview and Scrutiny Committee no later than September 2013. Subsequent progress reports will be scheduled by the Committee thereafter, until all recommendations are implemented.	Cabinet Member Development, Jobs & Skills	September 2013



1 Purpose of the work

1.1 Introduction

- 1.1.1 The City Council has had a long standing commitment to local centres that recognised the importance of Birmingham's extensive network of over 70 local centres. The Local Centres Strategy aimed to improve the quality of this network supported by a capital investment programme. This funding has come to end, and in the current economic circumstances no further allocation of capital funding is expected for a Local Centres programme. However the Cabinet Member for Development, Skills and Jobs has expressed his intention to refresh the Local Centres Strategy in preparation for the introduction of the Community Infrastructure Levy (CIL).
- 1.1.2 The Birmingham Economy & Jobs Overview and Scrutiny Committee therefore agreed to focus their second inquiry on Birmingham's local centres – their role in our city and the City Council's changing role in supporting them.
- 1.1.3 The key question asked was "What needs to be done to generate growth and employment in local centres?"

1.2 Terms of Reference

- 1.2.1 The terms of reference set out our key lines of enquiry:
- How are our local centres faring in the current economic climate?
 - What differences have the City Council's policy made to local centres? How successful is the over-arching strategy?
 - How is the City Council's policy on local centres likely to be affected by changes in the planning regime (including the forthcoming adoption of the Birmingham Development Plan)?
 - What is the impact of the following on the economic potential of local centres and how are these being addressed:
 - Design of local centres;
 - Transport links;
 - Perceptions of crime and anti-social behaviour;
 - What should the role of the City Council be in supporting local centres, given current and future financial constraints?
- 1.2.2 Two evidence gathering sessions were then held in November 2012. Appendix A lists all our witnesses, to whom we are very grateful for their time, input and enthusiasm.



Written Evidence

- 1.2.3 This report sets out the key findings and the Committee's conclusions and recommendations. The report is supplemented by the written evidence received by the Committee, which can be found on our website at www.birmingham.gov.uk/scrutiny.



2 Policy and Funding Background

2.1 Birmingham's Local Centres Strategy

2.1.1 Birmingham City Council has had a longstanding commitment to supporting local centres and investing in local improvements. Such improvements to local centres were a focus for a number of the government funded area based regeneration programmes.

2.1.2 In 2001, the Council adopted a comprehensive Local Centres Strategy to provide a clearer context for its work in seeking to regenerate local centres. The strategy "identified the importance of local centres for shopping and services, and as a focus for local identity, community and economic activity". It set the regeneration policy context for centres as:

- The role of centres as the focus for the neighbourhood, a reflection of its well-being, identity;
- Providing local services and facilities and places of employment;
- Providing accessible services so reducing the need for travel;
- As a focus for economic growth.

2.1.3 Between 2000 and 2007 approximately £1m per year – from a variety of sources – was spent supporting local centres regeneration.

2.1.4 A Scrutiny Review of Local Centres was completed in 2005, and the key findings are summarised in Table 1. Following this Review, the Local Centres Strategy was revised to address changes in national policy, to reflect local socio-economic circumstances and to take on board the recommendations of the Scrutiny Committee. Cabinet adopted the revised strategy in July 2006. The strategy set out clear priorities for investment and also addressed those centres in decline. It was supported by a specific Local Centres Programme with a budget of £2.7m, approved by Cabinet in 2007.

2.1.5 The strategy categorised the economic and retailing health of each centre and proposed to allocate Corporate Investment funds under three main priorities:

1. Centres that lie within Birmingham City Council identified priority wards;
2. Centres that have significant potential for growth, or where current proposals for growth require support;
3. Centres proposed for piloting growth and/or improved health via feasibility studies and improvements to the public realm.

2.1.6 In addition the strategy proposed that centres suffering significant decline should be managed by concentrating on a smaller more viable retail core.



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Table 1: Scrutiny Review of Local Centres 2005 – Main Findings

The activities that take place within local centres, and in particular the retail sector, are subject to national market trends which there is little ability to influence. Some of these trends - for example, the growth of large supermarkets - may work to the disadvantage of local centres, but within this context it should still be possible for local centres to maintain a role, provided that they focus on meeting the distinctive needs of their local communities;

Lack of sufficient well-signposted, secure, conveniently-located car parking is a significant problem in many centres. Greater priority needs to be given to addressing this. At the same time it is important to remember that 38% of households in Birmingham do not have access to a car, so public transport also continues to be important;

People need to feel safe when they visit a local centre if they are to return on a regular basis. Improving security within centres also needs to be a priority. CCTV can be an important tool in achieving this;

Anti-social behaviour, such as drunkenness, is also a problem which needs to be addressed. It is likely that there will be different solutions to this problem in different centres depending on local circumstances;

There is a need for better management of issues such as street cleaning, pavement maintenance and the enforcement of parking and other controls within centres. Town Centre Management represents an important way in which these issues can be addressed, as is clear from the experience in Erdington, where a manager was appointed about two years ago, and this initiative should be extended to more centres;

Upgrading the quality of design and of the environment within centres can also have significant benefits, both in terms of encouraging more visits and by making a centre more attractive and pleasant for those who use it regularly;

Funding for centre improvements currently comes from a variety of sources, including the Council's capital programme, SRB (Single Regeneration Budget), ERDF (European Regional Development Fund), NRF (Neighbourhood Renewal Fund) and Section 106 monies. This is likely to continue to be the case, and it will continue to be necessary for the Council to devote its own capital resources to this area of activity in order to make the most of the potential of these other sources of funding. The potential to raise additional funding from private sector sources, including traders, also needs to be investigated. Business Improvement Districts provide a possible way of achieving this;

District Committees and District Partnerships have potentially important roles to play in local centre regeneration. They should be encouraged to become more involved in identifying local solutions and in relation to smaller centres and parades of shops;

Progress in delivering local centre improvements has been broadly in line with the priorities established in the programme. The evidence indicates that local centre improvements have been effective, but it would be helpful to have more consistent data to demonstrate their impact.



- 2.1.7 The Strategy was supported by a “Local Centres Programme which provided capital investment in more than 20 centres across the city”, as well as ensuring funding opportunities such as ERDF, SRB6 and S106 were maximised. The money was largely focused on public realm works, and car parking improvements, with promotional/marketing work, infrastructure development, community safety and town centre management also supported.
- 2.1.8 This strategy is still operational although the capital funds are now all allocated or spent and no new funding has been identified by the City Council. Outside sources of funding are also diminished, although there are potential sources including Community Infrastructure Levy (which both partially displaces section 106 as a source of funding and provides a potential new funding stream for local centres generally. See section 3.4.5).

2.2 Current Planning Policy

National Policy

- 2.2.1 National planning policy has changed little in relation to local centres over the last ten years, and continues to focus on creating a hierarchy of centres. In 2012 the Government introduced the National Planning Policy Framework (NPPF). This sets the policy tests which out-of-centre retail proposals must satisfy including the potential for significant adverse impact on existing centres. In summary it states that planning policies should be positive, promote competitive town centre environments and help their management and growth. In particular authorities should:
- Recognise town centres as the heart of their communities and pursue policies to support their viability and vitality;
 - Define a network and hierarchy of centres;
 - Define the extent of town centres and primary shopping areas and set policies that make clear which uses will be permitted in such locations;
 - Promote competitive town centres that provide customer choice, allocate a range of suitable sites to meet the scale and type of retail, leisure, commercial, office, tourism, cultural, community and residential development needed in town centres;
 - Recognise that residential development can play an important role in ensuring the vitality of centres and set out policies to encourage residential development on appropriate sites; where town centres are in decline, plan positively for their future to encourage economic activity; and
 - Apply a sequential test to major store/site development.
- 2.2.2 The Government continues to restate its commitment to supporting town centres, for example through its response to the Portas Review, whereby the Government commissioned retail expert Mary Portas to conduct an independent review of the high street. The Review's resulting vision was that:



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High streets must be ready to experiment, try new things, take risks and become destinations again. They need to be spaces and places that people want to be in. High streets of the future must be a hub of the community that local people are proud of and want to protect.

- 2.2.3 The Government responded positively to the Portas Review, although the recommendation for Secretary of State approval for out-of-town developments was not accepted. The focus of the Portas report was town centres. However a positive aspect has been her emphasis on town teams, meaning not just the City Council and a traders association, but involving landlords and the responsibilities of local business. Please refer to Appendix B for a summary of the recommendations.
- 2.2.4 Centres in Birmingham were not successful in bidding for the Portas Pilots, however eight were successful in becoming Town Team Partners (Innovation Boldmere, Kings Heath Centre Partnership, Lifford Business Association, Erdington Town Centre Partnership, Salfley Business Association, Sparkbrook and Springfield Town Centres, Soho Road Town Centre Partnership and Retail Birmingham).
- 2.2.5 Those registered to become Town Team Partners will each receive £10,000 to take forward elements of their plans and will also be able to get additional support from the Association of Town Centre Management which will work with Town Team Partners to:
- Identify their needs and requirements;
 - Hold information events to help deal with the most pressing challenges facing struggling town centres;
 - Set up an advice line;
 - Offer a network of advisers to help improve local towns.

Local Policy: Birmingham Development Plan

- 2.2.6 In Birmingham, the Unitary Development Plan (October 2005) set out a range of strategic policies which will be updated in the forthcoming Birmingham Development Plan (previously known as the Cores Strategy). The recently published Options Paper confirms the network of centres comprising the city centre as the regional centre, Sutton Coldfield as a sub regional centre, three centres for growth (Perry Barr, Selly Oak and the Meadway), 18 District Centres and 54 Neighbourhood Centres.
- 2.2.7 The emerging Birmingham Development Plan also identifies the broad level of additional retail and office development which will be planned for. Three of the District Centres (Perry Barr, Selly Oak and Meadway) have again been identified as 'growth centres' which will accommodate higher levels of retail and office development. The role of small shops and independent retailers is also highlighted.



Local Policy: Shopping and Local Centres SPD

2.2.8 In March 2012 a Shopping and Local Centres Supplementary Planning Document (SPD) was adopted setting out more detailed policies for each centre in line with the NPPF. In particular it has:

- Defined the centre and primary shopping boundaries for each local centre,
- Established threshold policies to safeguard the primary A1 retail function;
- Established policies to restrict the overprovision of hot food take-away shops.

Local Policy: Local Plans

2.2.9 Area Action Plans have been used to set out the land use framework and proposals for the regeneration of particular areas, including Longbridge and Aston, Lozells and Newtown. For example the Longbridge Area Action Plan set out the local centre as an:

... essential component of the Spatial Strategy ... centred upon creating a real heart and focus for the new development.

2.2.10 Area Actions Plans are Development Plan Documents (DPD) in which land can be allocated. Other types of plans exist for a number of centres such as Kings Heath and Fox and Goose, and plans are currently being prepared for Erdington and Stirchley. In addition a number of local centres are covered by Regeneration and Corridor Frameworks, for example the A34 Stratford Road Strategic Regeneration Framework.

Local Policy: Neighbourhood Development Plans

2.2.11 Neighbourhood Planning is a process by which communities can come together and prepare land use plans that will guide the type of developments they would wish to see in their neighbourhood, and were introduced by the Localism Act 2011.

2.2.12 This represents a major change in the way these types of plans have traditionally been prepared. Although technical guidance and assistance will still be offered by the City Council, the local community will be the driving force and will take responsibility for writing the document.

2.2.13 Once the ideas and proposals have been generated by a designated Neighbourhood Forum (or Parish Council) and consulted on locally, the draft Neighbourhood Development Plan is submitted to the local planning authority for examination by an independent examiner. Proposals must satisfy a number of basic conditions, including accordance with national and local planning policy, and be deliverable. The examiner will recommend for the Plan to proceed to referendum or not. The referendum will be open to those living in the plan area to vote on the proposals. It should be noted that in a community led plan local businesses, unless living in the area, are not able to vote.

2.2.14 If the majority of people voting in the referendum are in favour of the draft proposals, then the City Council will be required to incorporate it into the Local Development Framework. It will then



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become a statutory land use document and be used to determine planning applications for development in the area.²

Local Policy: District Committees

- 2.2.15 District Committees, under the devolved responsibility arrangements, will be developing a District Plan that will set out a district vision as well as strategic priorities. The District Plan will highlight social cohesion deficits within the district and set out any priority neighbourhoods which may also be the subject of neighbourhood plans addressing detailed actions at a neighbourhood level. The District Plan will also provide the framework for ward priorities for the allocation of Community Chest. These would not be planning or land use documents but used to address detailed actions at a neighbourhood level.
- 2.2.16 Assessing the needs of the District will be informed by the District Shared Strategic Assessment which highlights both geographic areas and service areas where improvement is necessary to tackle social cohesion.

² See www.birmingham.gov.uk/neighbourhoodplanning



3 Findings – Informing Future Strategy

3.1 Introduction

3.1.1 As noted above, the Local Centres Programme has come to an end and no further allocation of capital funding for a new programme is proposed. However the Cabinet Member for Development, Skills and Jobs expressed his intention to refresh the Local Centres Strategy in order to provide the strategic context to:

- Set out the strategy for local centres in light of the recent research undertaken for the Birmingham Development Plan;
- Set out the requirements for local centres improvements in preparation for the introduction of the Community Infrastructure Levy;
- Work with the Districts and local partnerships in identifying key actions/priorities for public and private sector investment;
- To inform future funding bids;
- Understand why properties are left void and actions to tackle them;
- Continue to develop models of business partnerships to lead the management of centres;
- Focus on creating employment opportunities with businesses in the local centres.

3.1.2 A Project Board is to be established chaired by the Cabinet Member for Development, Jobs and Skills engaging the Districts, Business Improvement Districts (BIDs) and other partnerships. This will oversee the refresh of the Local Centres Strategy.

3.1.3 In this chapter, we set out the findings from this Inquiry that will inform that refresh of the Strategy.

3.2 Health of Local Centres

3.2.1 To start our Inquiry, we asked how our local centres are faring in the current climate. The most recent assessment was the Birmingham Retail Need Assessment, which looked at the health of the larger local centres (“District centres”) in 2009. Of the 18 centres assessed, seven were rated as healthy, six as showing some signs of weakness, three as showing significant signs of weakness and two as very weak.



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3.2.2 Since 2009 data shows that there has been a general increase in vacancy levels as a result of the recession. Vacancy rates were assessed in 2011.³ This showed a mixed picture – some have had an increase but others have bucked that trend e.g. Alum Rock Road and Coventry Road. Significant increases in empty properties have been seen in larger centres such as Erdington. This may suggest that those local centres with a strong local focus and independent traders focused on local community are better able to withstand recession than those dominated by larger retailers where decisions are made nationally, though the evidence for this is weak.

3.2.3 We were told that employment in retail and food and drink in Birmingham is around 65,000. About 20,000 of these jobs are in the city centre. A significant proportion of the remaining 45,000 will be within the network of local centres.

3.2.4 There are a number of trends that will continue to have an impact on the health of local centres:

- The city's population is forecast to increase by 150,000 by 2031. This will create increased demand for the services provided in centres;
- The recession has suppressed per capita expenditure, particularly in the comparison retail sector, and most analysts expect growth in the next few years to be below historic trends;
- The national picture is fluid as ever: some high profile retailers have closed (e.g. Woolworths) and others have rationalised their store networks. This process can be expected to continue;
- Internet retailing is growing in importance and breadth. Retailers are adjusting their strategies to accommodate it;
- Partly as a response to this many retailers are seeking to reduce their branch networks and concentrate on a smaller number of key, accessible locations. Similar trends apply in the financial services sector;
- The major supermarkets are continuing to expand.

3.2.5 The perception from our witnesses was mixed:

The current situation is that people are not spending as much of their money as we would wish in Birmingham's local centres because there are more attractive alternatives elsewhere.

The under-performing local centres often have an uninspiring environment and have a limited offer for retail, leisure, and residential use.

Despite the recession and the doom mongers talking down the high street, our centre is to an extent bucking the trend. Shop vacancies are around 5% and

³ Conducted by the Local Data Company, recognised by Govt and ATCM as leader in provision of empty property data and local centres statistics.



there is plenty of evidence of investment taking place at present, with major national names coming into the town and refits for several other stores. The small independent sector clings on ... but the long term prognosis for these businesses is not rosy, partly due to difficulties in trading caused by their location.

We have created a market for certain type of goods. We get coaches from Bradford and elsewhere. Because we're niche we don't compete with supermarkets.

3.3 The Strategy

3.3.1 One of our key lines of enquiry was "What differences have the City Council's policy made to local centres? How successful is the over-arching strategy?"

3.3.2 Assessing the benefits of the policy has proved challenging, as no overall evaluation has been completed. It should be noted that some of the long term objectives – such as better social inclusion – are very hard to assess. The impact of economic recession has also had an effect. However, we did hear evidence that progress has been made and elements of the programme have been met. On the whole, the evidence pointed to the benefits of having an over-arching, coherent policy focusing resources, particularly with regard to attracting outside funding to support much needed regeneration of local centres.

3.3.3 We did hear some alternative views from some of those working in local centres:

As a principle, [we] welcome the Council's focus on local centres. However we should point out that in the case of [the local centre], that interest came very late in the day.... there is little evidence of any real policy to improve our town centre.

We feel that the Council Policy has not helped [the local centre] and has been more geared to helping the City Centre while expecting the ward councillors to look after the Local Centres. Birmingham City Council has been more interested in promoting the City Centre and their Master Plan for the City Centre.

3.3.4 Each of these local centres had received some support. This may indicate that the refresh of the Local Centres Strategy should include reporting on achievements and influence marketing.

3.3.5 Discussions focused on the continuing value of local centres and involvement in decision making with regards to local centres.



Value of Local Centres

3.3.6 Our evidence gathering demonstrated (as did the previous Scrutiny Review on Local Centres) the value of local centres to the city and to its residents. The key benefits were summarised by our witnesses as including:

- Local, convenient, access to goods and services, reducing the carbon footprint of both people and goods, and also providing access to services for those less able to travel longer distances;
- Local employment – studies have shown that smaller/independent shops yield a higher employment per pound spent and a higher local multiplier both via supporting local supply chains;
- Focus for community, assisting identity and resilience; providing opportunities for people to meet or just hang out;
- Access to a variety of shops, some meeting basic needs but also specialist shops which can also attract leisure shoppers and tourists;
- Local distinctiveness and quality, with sometimes architecturally significant buildings;
- Local centres can also contribute to the quality of life and general attractiveness of an area, and so make the city a more attractive place to live and invest.

3.3.7 Therefore there was an overwhelming view that local centres continue to be an important part of the city's economy and social infrastructure.

Decision making

3.3.8 One recurring theme to emerge from our evidence gathering was how far removed some of those running businesses in some local centres felt from decision makers. Sometimes this was about individual schemes, but sometimes more widely about how local centres are managed, how funding has been spent or how wider schemes have an impact on local centres.

The council are keen to see all the local centres as a copy of each other in almost all respects as an extension of the centre with only some minor aesthetics. The design should be based on the nature of the area but there is no route for such differences to be taken into account. Any suggestions for real redesign are met with absolute opposition. There is very little if any true consultation with the centres.

Dudley Road centre was on the boundary of two wards of Soho and Ladywood with the boundary in the centre of Dudley Road. There was a plan to demolish the Soho Ward side of Dudley Road to create a dual carriageway to take traffic out of Birmingham City Centre; hence no investment was made on Dudley Road by the Council or private investors due to the uncertainty.



Substantial financial support for improvements for a shopping area within a neighbouring ward has been forthcoming via Community Chest where as support for the town centre (which is in a different ward) has been minimal in comparison.

- 3.3.9 Some felt that there could be more involvement with decision-making as it related to local centre and scheme design, and in deciding how local funding is to be spent. There was also a view that more resident representation would be a way forward, both in developing local centres and in bringing business into the heart of the community.
- 3.3.10 With regards to funding, the structure of decision-making at the City Council also affected local centres' planning and spending. The short term emphasis of some money (such as Community Chest) which had to be spent by the end of year has meant larger projects could not get off the ground as funds could not be built up over time.
- 3.3.11 The role of local councillors was discussed. We heard evidence from councillors who sat on BID boards or were otherwise very involved in local centres in their ward. This role was seen as crucial to keep local centres and City Council processes in tune, in bringing people, businesses and agencies together and work across ward boundaries to ensure the benefit and funding is felt by all (noting that not all wards have a local centre whereas others have more than one).
- 3.3.12 Decision making at the highest level was also discussed:
- Birmingham does need a champion in the Cabinet to coordinate local centre regeneration and to oversee delivery. They need to be accessible to private sector development partners.
- 3.3.13 This enables the City Council to show that it values small scale and local, not just city centre and big developments.

3.4 Sources of Funding

- 3.4.1 The capital and revenue resources for local centres have been significantly reduced. There has been no further capital allocation since the 2007-2010 programme and the Working Neighbourhood Fund (WNF) Town Centre Management project finished in 2011.
- 3.4.2 The City Council continues to support local centres through officers within the Planning and Regeneration team as part of their overall work programmes. Two Town Centre Management Regeneration Officers support BID development for Soho Road and the Sparkbrook and Springfield Town Centre Partnership. In addition, a recent audit of Business Improvement Districts (see below) identified the need for more support for the out of city centre BIDs, and so this was addressed by reshaping a post within the Planning & Regeneration team as the Business Regeneration Manager.



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- 3.4.3 Section 106 funding continues to be available (albeit on a smaller scale as planning application numbers have fallen) to benefit local centres where appropriate.
- 3.4.4 Transportation is one of the few areas to have capital programmes in place. The Transportation and Highways Capital Investment Programme delivers a range of projects with funding primarily provided from the Department for Transport via capital grants. Current or recent relevant activities include:
- New relief roads delivered to bypass Selly Oak and Northfield local centres;
 - Local Sustainable Transport Fund projects to (1) improve cycle access in North Birmingham and (2) enhance sustainable access in South Birmingham with a focus on the Bristol, Pershore and Warwick Roads;
 - Routes to local centres programme to provide improved cycling and walking access;
 - Removal of subways;
 - Supporting Local Communities – Improving Safety Programme – implementation of road safety measures including new controlled crossings;
 - Carbon Reduction Programme – development of Controlled Parking Zones and the provision of electric vehicle charging points;
 - £25,000 per ward for transportation measures specified by local ward councillors;
 - Provision of £100,000 to remove street clutter.
- 3.4.5 The Council is currently consulting on a draft Community Infrastructure Levy scheme (CIL) charging schedule and hopes to have a CIL in place by April 2014. From 2014, the CIL will allow local authorities to set charges which developers must pay when bringing forward new development in order to contribute to new or enhanced services and infrastructure. It will partially replace Section 106 agreements, the scope of which will be limited from April 2014 to infrastructure requirements directly required to enable a development to proceed (such as access provision).
- 3.4.6 The High Street Recovery Programme used Department for Community and Local Government funding for a cross council wide programme to support businesses and centres affected by the 2011 summer disturbances.
- 3.4.7 There have also been “one-off” or ad-hoc pots of money available for local centres to bid for funding. Two recent examples generated by the Portas Review have been the Portas pilots (see section 2.2.4) and the Future High Street X-Fund, a competition based on town centre achievements since May 2011. The City Council has also submitted proposals based upon the achievements of the WNF funded BIDs Academy.



- 3.4.8 In addition the City Council through the Greater Birmingham and Solihull Local Enterprise Partnership) submitted a bid for Regional Growth Fund to support businesses moving into empty premises. This would have targeted local centres but was not successful.
- 3.4.9 Along with 100 other councils, Birmingham City Council received £100,000 Innovation Fund (another Portas initiative) to test new ideas on filling empty properties. This funding does not go far for the city and officers are looking at ways to grow the fund.

3.5 Planning in Local Centres

- 3.5.1 A number of issues were raised with regard to the planning and design of local centres and these are discussed below.

Planning and Supermarkets

- 3.5.2 The key issues discussed in relation to the City Council's planning powers included the place and effect of supermarkets on local centres; and the extent to which independent shops could be encouraged within local centres.
- 3.5.3 There is a perception from some that the City Council has been too ready to accept supermarket claims of providing "more jobs" and meeting "local need". Planning rules have recently changed to mean that developers no longer have to demonstrate a need for the supermarket, but it is open to local authorities to demonstrate a need, or lack of, through an approved local plan (i.e. the Birmingham Development Plan which is yet to be adopted).
- 3.5.4 However, it was suggested by two of our witnesses that this evidence could be interrogated more closely – a recent example was given of a supermarket in an area demonstrating need based on the number of people in an area, not the number of people who say they would use the store.
- 3.5.5 Others recognised that the City Council had limited powers to prevent development. Planning policy must comply with national policy, therefore planning decisions are made in the context of the National Planning Policy Framework (NPPF). This sets the policy tests which out of centre retail proposals must satisfy including the potential for significant adverse impact on existing centres. With regard to large foodstores in or at the edge of local centres, planning policy does not distinguish between these and independent shops.
- 3.5.6 Not that all our evidence was against supermarkets – one example was given of a small supermarket opening in a local centre, with a security guard which helped reduce anti-social behaviour. It also brought a cash point to the area.
- 3.5.7 There was agreement however on the need to integrate supermarkets into local centres, which had not always been successfully done. Using planning conditions around parking and access points to join supermarkets up with the local centre (if nearby) could bring more benefits to the local centre (it was pointed out that having a supermarket next door need not be the end of a



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business, an example of a flourishing fruit and vegetable shop next door to a Sainsbury's was cited).

- 3.5.8 There was an emerging view that the hegemony of supermarkets will be challenged, as their lack of personal service will advantage local shops, though this was challenged elsewhere. One witness said it was probably "too late" and that Birmingham had reached saturation point for supermarkets.

Infrastructure

- 3.5.9 The Local Centres Programme, along with other sources of funding, paid for a range of physical improvements over the life of the strategy. These included:

- Public realm improvements including signage, street furniture, resurfacing of footways and pedestrianised zone, and the removal of street furniture;
- Junction improvements and other small scale highway improvement works including new pedestrian crossings and relocation of a bus stop;
- Car parks: assembly and delivery of new pay and display car parks;
- Safety infrastructure: CCTV facilities, infilling of the Perry Barr subways, street lighting improvements and related tree maintenance and security gating.

- 3.5.10 The issue of transport links to and from local centres was referred to by many of our witnesses, both public and private transport. Advantages out-of-town centres or supermarkets can have over local centres include free parking and sometimes free buses, so local centres need to be able to compete. Provision needs to be safe and include good walking and cycling options.

Good multi-modal access to local centres is critical in terms of sustaining the vibrancy and economic viability of such locations, be it access by public transport, private car, walking or cycling.

- 3.5.11 The amounts of money that can be invested in transport projects are often transformational and therefore welcomed. However, as noted above, local involvement in the design of these schemes seems to be patchy in some cases. It is often complicated by the array of Council departments and others that are involved in such schemes, including highways, transportation strategy, District engineers and Centro. Again those working in local centres can feel left out:

Local centres are powerless to have a say in the transport links. The bus routes and number of operators are completely out of the local centre control and any worthwhile suggestions such as reopening the Kings Heath station are simply put to the back burner in favour of such things as the extension of the metro into the city centre. Transport is all about the city centre access.



3.5.12 The availability of car parking was raised as an issue by those working in local centres. As noted above, local centres are competing with supermarkets which provide free parking.

The Traders have been disappointed and have been moving out of the Centre as there is no parking for customers and do not expect any progress.

Our pleas for Car Parking have been completely ignored by the Local Authority and the Ward Councillors. There has been no support given to the Centre. We have good public transport but a lot of customers use their own cars hence the importance of having a car park.

Poor quality public car parks owned by the council, including lack of maintenance in multi-storeys have put visitors off. Being able to assure prospective investors in the town that there is adequate parking is vital to the growth of the town centre. Charging 24/7 is detrimental and unlikely to be cost effective to enforce.

3.5.13 There are of course a number of conflicts that arise here: vehicles and pedestrians/cyclists competing for space, the different needs of businesses and residents, and the need for convenient parking set against the need for traffic to flow.

3.5.14 The availability of land for parking is one of the main issues in providing car parking in local centres. Where land is available, there have been problems in maintaining sites because of the rates chargeable.

Supporting Independent Business

3.5.15 One of the recurring themes of this Inquiry was the need for independent business to flourish. The range and variety of shops is an important factor in the vibrancy of local centres. However, the City Council as the Planning Authority cannot control who buys and uses units within local centres and encouraging diversity is very challenging. Some attempts have been made, for example the Shopping and Local Centres SPD was prepared, in part, to respond to local concerns being expressed on the impact of what was perceived as a growing number of take-aways in local centres.

3.5.16 Ownership of shops and units in a local centre is important: we were told that (based on evidence from the USA) places with higher levels of local ownership have better health outcomes, higher civic engagement and greater job satisfaction. More local control of the local economy also generates greater commitment to an area.

3.5.17 Our witnesses suggested that the City Council might be able to help with business rates issues – either in being able to be more flexible in payment or in giving a rates free period for new businesses starting up. Some Local Centres Programme money was used to provide business



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support grants. Other initiatives have included working with independent shop owners to produce an Asian wedding booklet, promoting the Alum Rock area.

- 3.5.18 A number of grant programmes have operated assisting businesses with property improvements in local centres on the rationale that improved frontages make a more attractive shopping environment and internal alternations/extensions allow for modern shop layouts.
- 3.5.19 The issue of empty properties and their impact on local centres was a concern. These can be an eyesore and contribute to a "run down" feeling in some local centres. One witness suggested that shutters should have pictures on them (such as of a shop front) to give a better view along the street. Others want the City Council to consider ways to work with landlords to encourage vacant units to be brought into use.
- 3.5.20 Empty properties in local centres were recorded during an audit in 2011 for the preparation of the Shopping and Local Centres SPD. This is a resource intensive exercise and we were told that it is not feasible to undertake this annually although there will be a rolling programme to monitor centres given the importance of understanding the overall health of centres.
- 3.5.21 There was a recurring view that units could be used, on a short term basis, by colleges or community groups to hold sales, shows or short term displays. For example, Merry Hill (a private landlord) lend units to Stourbridge College for the period that they are vacant. They could be used for an incubation period for new businesses.
- 3.5.22 This would need to be done via the owners of properties and could be a resource intensive exercise – identifying the owner of the unit and negotiating the lease. The mechanism for doing this could be a "meanwhile lease" which is a "temporary lease granted to tenants such as local voluntary or charitable groups, which permits the use of a vacant business property temporarily for a non-commercial purpose, while explicitly recognising that the landlord is looking for a tenant that will take a commercial lease of the premises."⁴ Often this means a group can use premises if they pay heat, light and some maintenance. It keeps the frontage vibrant and can attract new custom to the centre.
- 3.5.23 Should the Council use its own properties for such purposes, it would have to be sensitive to local businesses who are paying rates. And although we heard that the Council has limited assets in the larger local centres with the municipal shops concentrated in small centres/parades (see box for details), there was still potential here.

⁴ The Meanwhile Scheme was set up as part of the Revitalising Town Centres policy launched in April 2009 by the Department for Communities and Local Government (DCLG), and is led by the organisation formerly known as the *Development Trusts Association* on behalf of DCLG, in conjunction with *Meanwhile Space CIC*. It is a government-led initiative to encourage the temporary occupation of vacant units for non-commercial purposes, such as arts projects or some form of local community use, in properties that the temporary tenant might not normally be able to afford.



Birmingham Property Services

We heard evidence from the Birmingham Property Services team that manage the 622 Council owned shops in 105 locations/parades. The majority (552) are held in the Housing Revenue Account (HRA) and were built by the City under the Municipal Shops scheme; the remaining 70 are held by other parts of the Council.

There are currently 38 void shops available to let (approximately 7% of stock). This void rate has been fairly consistent since the mid 1990's when it was then 8% but of a larger portfolio. This compares favourably with current reported high street void rates which were reported to be 14.3% nationally in 2011. In the first half of 2012/13, 20 units became vacant and 12 have been re-let. One unit has been demolished as part of the Shard End Crescent regeneration and one is proposed for sale at auction as it is an isolated pre-war shop with living accommodation in need of modernisation.

The portfolio provides a current annual gross rental income to the HRA of just over £2.1m gross rent and the other shops produce a gross annual income of approximately £500K.

The maintenance of shops is currently included within the City's contracts for the Repair and Maintenance of the investment portfolio as a whole.

The opportunities this gives includes:

- Ensuring ongoing revenue income generation to support Core business of the Local Services Directorate and Council as a whole;
- Maintaining local service provision in that they provide a valuable resource for local residents and Council tenants to access the range of outlets as described above. As stated these parades were built and sit mainly within Council housing estates across the city where there is low employment and low income;
- As these shops in the main have Council accommodation above them or adjacent to them this may impact on the ability to undertake any radical form of redevelopment, however the City Council needs to ensure that ongoing provision of local shops is included in any regeneration planning process;
- The shops provide a route for new and small businesses to operate and develop which supports getting people into work, a City Council priority and could assist new start ups for such things as social enterprise schemes;
- There is the potential to develop low demand vacant units into valuable community resource for Third Sector Organisations and/or Social Enterprise schemes.



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Municipal shops have relatively low rents, high outgoings and are management intensive, but help support small and start up businesses which generate employment and business growth or fulfil a social function in the case of shopping parades.

- 3.5.24 Another alternative would be to encourage the use of pop-up shops, which are being supported by the private sector. A Pop-up is different to a "meanwhile lease" as it is a commercial venture, often supporting new-start entrepreneurs in testing the market. For example, in December, the Department for Communities and Local Government announced the opening of a pop-up shop inside its headquarters near Victoria station in London, offering low-cost retail floorspace for fledgling businesses to showcase their wares. In Birmingham, there is a pop-up shop on New Street and, prior to Christmas, a Boden pop-up in the Bullring.

Mixed Use

- 3.5.25 One witness told us that to "create a sustainable urban centre it is essential to include a residential population within it. Residents are eyes on the streets, they are pounds in the shops, and they are the people that will attract more people." That witness also felt that using local centres in this way could relieve some of the pressure on the Green Belt. However the appropriateness of family housing in local centres was questioned by some.
- 3.5.26 Another variant of mixed use is the encouragement, or otherwise, of a local centres' night-time economy. This can cause conflict within local centres as some traders welcome the extension of trading hours whilst are concerned about the effect on cleanliness and perceptions of safety. The advice from one witness was that working with the Police was key in encouraging a night-time economy.
- 3.5.27 More generally there was a view from one of our witnesses that local centres should be managed more like visitor attractions and that "decisions need to be made by people with experience of running major visitor attractions":
- People want their local centres to be more like the heritage destinations they visit on their holidays. These are mixed-use places with retail, leisure, residential, and car parking uses, all arranged in well-designed buildings set within a pedestrian-friendly public realm.
- 3.5.28 Certainly there was support for the role markets, fairs or events that might play in attracting people to local centres. Examples such as farmers markets (which operate independently of the City Council) and community markets (such as that in Stirchley, which was supported by the City Council).
- 3.5.29 There was a view that events, such as dance displays, did have a positive impact on local centres but it was important to have the right space in which to hold them, which not all local centres have.



Transformational Change in Local Centres?

- 3.5.30 A lot of the evidence we heard was about the improvements needed in our local centres. One witness put forward a view as to how this could be achieved on a transformational scale. It was suggested that the City Council could invest the land and property at its disposal in local centres in a regeneration company. This would get better value for the land and assets than selling each off individually, which is happening in some local centres.
- 3.5.31 This company would be a collaborative relationship between the Council, landowners, and developers. We were told that this could generate a significant income stream for the Council itself. Appendix C contains the full proposal made to the Committee. However, as noted above, this may not prove straightforward as the City Council has few assets in local centres.

3.6 Town Centre Management

- 3.6.1 Previous funding has been used to support town centre management, sometimes in the form of employment of a Town Centre Manager (TCM). For example, Working Neighbourhoods Funding (WNF) was secured for a Town Centre Managers' Project to support 12 Town Centre Managers, covering a number of local centres. The funding included limited support for associated initiatives and covered the period of April 2009 to March 2011.
- 3.6.2 The focus of the project was to build local sustainable partnerships that could over time take on responsibilities for their locality. Through the project a number of centres progressed to BID status and have employed their own managers
- 3.6.3 From the WNF programme two officers remain, one as the TCM for Soho Road funded via section 106 and the other working with the Sparkbrook and Springfield Town Centre Partnership as part of the exit of the A34 Stratford Road Regeneration Programme.
- 3.6.4 The Association of Town Centre Management (ATCM) was commissioned to undertake a midterm evaluation of the project completed March 2010 followed by an End of Project Review completed in March 2011.

The review shows that the project has been a success with the majority of the outputs achieved or exceeded. As with the MID Term Review a great deal of work has been undertaken by all Town Centre Managers and there has been some notable achievements not just in the delivery of successful projects but also in the strengthening of some partnerships, the introduction of a Birmingham BIDs Academy and the BID development work undertaken.

- 3.6.5 The role of a Town Centre Manager is to:
- ... bring together key stakeholders and work with them to enhance the town centre environment. Successful Town Centre Management provides a collective



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voice for its stakeholders and projects and services to support sustainable competitive advantage for its businesses. This in turn supports job creation and the safeguarding of jobs and provides a centre offering vibrancy and vitality for residents and visitors.⁵

3.6.6 The previous Scrutiny Review recommended that this programme was extended. However we were told that in times of limited resource it is not feasible for the Council to provide centres with Town Centre Managers. Where such posts can be supported as part of regeneration the emphasis needs to be on developing sustainable partnerships and leadership by businesses rather than officers engaging in marketing or dealing with day to day issues such as refuse. With limited funding a new model is needed by which Council officers can support partnerships to progress to BIDs without a dedicated TCM.

3.7 Business Improvement Districts (BID)

3.7.1 During the evaluation, all of the Town Centre Managers indicated that they thought a BID would be the best model to introduce for their location as a continuation strategy. This policy has been taken forward by the City Council

3.7.2 A BID is a defined geographical area and the process for becoming a BID is set by legislation and is subject to a ballot. There are ten BIDs in Birmingham, five within the city centre (Broad Street, Colmore Business District, Jewellery Quarter, Retail Birmingham and Southside BIDs) and five in local centres (Acocks Green, Erdington, Kings Heath, Northfield and Sutton Coldfield). BIDs are being prepared for Soho Road and Sparkbrook and Springfield.

3.7.3 Birmingham is the national leader with more BIDs than any other city in the UK. Four BIDs are on their second term. The growth of the out of city centre BIDs drew on the experience of the city centre and was driven through the "BIDs Academy" supported by the Association of Town Centre Management (ATCM).

3.7.4 The levy is a statutory tax which is collected on behalf of BIDs by the City Council at no charge – 100% returned to the BIDs. The levy is set by the BID and laid out as part of the voting process (based on a percentage of rateable value). The majority use this resource for a BID manager, marketing, events, festive lights etc.

3.7.5 The advantages are partly financial – not only does the levy raise money to be spent in the local area but BIDs can bring in other funding, such as national government, transport or sponsorship money. Additionally, our evidence clearly pointed to more overarching, intangible differences yielded through the business community working together. They have a BID manager who can work with local landlords who pay the BID levy. We were told that the level of empty properties in

⁵ WNF Town Centre Management Project Evaluation, 2011



BIDs were lower than elsewhere in the West Midlands, because of the closer working with landlords which resulted from the BID process.

- 3.7.6 Another advantage is that it “levels the playing field” with regards to local support for local centres – without formal structures it is often the locally owned businesses that contribute to local schemes whereas national chains are harder to involve.
- 3.7.7 The City Council contributes significantly to BIDs. Firstly as an owner of property within BID areas it is a voter and levy player – increasingly significant as the number of BIDs grows. It also collects the levy free of charge; the cost of this to the Council is a £35.60 per property per year charge to send out the invoice (paid to Service Birmingham). This is not typical – a nationwide survey of BIDs showed that is “significant variation concerning the annual levy collection charge”. Of the BIDs surveyed, 31% said they were not charged by the local authority for collection.⁶
- 3.7.8 BIDs do need support, resource and time to set up. The first two BIDs came about through support from the City Council, including their Ward Committees. Only one (Kings Heath) came into being without City Council staff support, though it still used other City Council resources. Following the end of the WNF programme, officers within the Planning and Regeneration section are supporting the outer city BIDs and Local Centres Partnerships, with the aim to building a coordinated approach for engagement with Local Centres. The team look at the viability and feasibility of BIDS, which areas that have potential to develop BIDs. This is a very resource intensive process (one officer estimates that he will make over 700 visits to one local centre as part of the heavy consultation for the BID process). There are also costs associated with implementing the BID process (legal advice, ballot, publicising and marketing).

The support from the centre to develop our BID was both very welcome and very good and was a key reason (along with years of thankless work behind the scenes to form a Town Centre Partnership) why we were successful after a very short development process of seven months.

As noted above, the Council provided excellent support for the town centre gaining the BID. However we are fighting with a somewhat cynical view from amongst the business community that their levies are paying for what the Council should already be doing. We know that is not entirely true, but ... there have been cases where we feel we are being “dumped upon”.

- 3.7.9 Each BID has an operating agreement with the City Council and BIDs pay for services in addition to those provided as a baseline from the City Council.

⁶ Nationwide Business Improvement District Survey 2010 (Alliance Boots, British BIDs, University of Ulster Real Estate Initiative)



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- 3.7.10 The BID model provides the local business community with the opportunity to be proactive and self-reliant. They also demonstrate success in that businesses in those areas are more engaged in local decision making. One BID representative told us that the BID had helped shape transport funding coming in – the BID resulted in real business partnership and it yielded investment. In turn, the BID got an increased turnout and greater engagement at the second term ballot.
- 3.7.11 However, to be worthwhile the BID area needs to be able to generate a certain level of levy, which is why it is not a suitable option for a lot of centres. Therefore Council officers are considering how the BID legislation could be used to create super or thematic BIDs (sharing resources such as BID management and financial management) or associated BID areas whereby existing BIDs help support neighbouring emerging BIDs or town teams.



4 Conclusions and Recommendations

4.1 Introduction

4.1.1 The focus of our Inquiry was on what needs to be done to ensure that local centres continue to contribute to growth and employment. This was undertaken in the context of an existing strategy and declining resources – a very different context to that in which the previous Scrutiny Review was conducted seven years ago.

4.1.2 What has remained constant however is the estimation of the value of local centres both to the city and its residents were emphasised in both pieces of work.

Local centres provide the food shops, post offices, newsagents, banks and similar facilities, which people use on a day-to-day basis, and so the quality of these centres is an integral part of our quality of life... Because local centres are used regularly by local people they also often come to provide a sense of identity to local communities, and their continuing health is important. (2005 Scrutiny report)

The direct economic role of local centres lies in their ability to provide opportunities for significant business activity (and jobs) in accessible locations. The key economic sectors are retail and food and drink – but in some of the larger centres offices are also important. (Witness in 2012)

4.1.3 Other fundamentals remain unchanged such as the national and local planning policy framework. It is the economic landscape that is different and this is both changing the character of our local centres and affecting the amount and type of funding available for regeneration.

Changes in peoples shopping habits impact on the role of centres, and with the economic downturn local traders face growing challenges. We need to make centres places that are pleasant places to shop, are accessible and people feel safe. (Witness in 2012)

Within these parades there are a wide range of unit types including betting shops, fast food takeaways, supermarkets, dentists, hairdressers, newsagents, off-licences, post offices, pharmacists and charity shops. Trades that no longer thrive on neighbourhood parades include greengrocers, butchers, wool/haberdashery, clothing, shoes, travel agents and banks. (Witness in 2012)



4.1.4 Whilst we looked at the role of the City Council we were keen to explore broader responsibilities, not least in recognition of the limited influence and diminishing resources of the local authority.

4.2 Local Centres Strategy

4.2.1 Our findings support the need to refresh our current strategy. Our evidence points to the continuing need for an over-arching strategy with local dimension. The existing policy had produced a coherent view of local centres and enabled the bringing in of outside sources of money. The "factors for success" identified in that Strategy also still hold true:

- Having a clear vision for the centre, and understanding its key functions;
- Strong local partnerships;
- Tackling property issues;
- Providing suitable car parking;
- Accessibility by public transport;
- Tackling security and personal safety issues;
- Providing a high quality environment;
- Marketing & promotion;
- Centre Management.

4.2.2 However we need to recognise that many of the previous assumptions around how these can be delivered no longer apply. We would therefore support the Cabinet Member for Development, Jobs and Skills in his intention to refresh the Local Centres Strategy but suggest a shift in focus, recognising the changing nature of local centres and the need for some to attract more specialist shops and provide more of a draw for those outside the area.

4.2.3 The new strategy should also heed the calls for greater business and resident involvement in designing and managing local centres.

	Recommendation	Responsibility	Completion Date
R01	<p>That the Local Centre Strategy is refreshed in line with the objectives as submitted to this Inquiry, i.e.</p> <ul style="list-style-type: none"> • Set out the strategy for local centres in light of the recent research undertaken for the Birmingham Development Plan; • Set out the requirements for local centres improvements in preparation for the introduction of the Community Infrastructure Levy; • Work with the Districts and local 	Cabinet Member Development, Jobs & Skills	October 2013



	Recommendation	Responsibility	Completion Date
	<p>partnerships in identifying key actions/priorities for public and private sector investment;</p> <ul style="list-style-type: none"> • To inform future funding bids; • Understand why properties are left void and actions to tackle them; • Continue to develop models of business partnerships to lead the management of centres; • Focus on creating employment opportunities with businesses in the local centres. <p>As part of the refresh, the current classification of local centres should be revisited and any revisions arising from this incorporated in the next version of the Birmingham Development Plan.</p>		

4.3 Working with Districts and Wards

4.3.1 How the Strategy is to be delivered needs to be reconsidered, particularly in the light of the greater devolution to District Committees brought in by the City Council in May 2012. It is also imperative that our local centres are ready to take advantage of funding as it becomes available, as the sources of funding that will become available are more likely to be ad-hoc and ever more dependent on having a pre-agreed set of priorities.

4.3.2 The idea of each local centre having its own locally determined plan therefore emerged from our evidence gathering. This should have business and resident input and present clear evidence about what is needed in the centre. Our findings reflect that of the 2005 Scrutiny Review which said:

One of the most important lessons ... is that solutions for individual centres can only be effectively developed at the local level, with the support of local businesses and local communities, within the context of an overall view of the role of centres within the wider hierarchy. A city-wide strategy cannot therefore be prescriptive about the approaches to be adopted for individual centres.

4.3.3 This would of course be a time consuming and resource intensive process, and mindful of resources, it is proposed that these processes work alongside existing structures under the devolution to District Committees, using District Plans and, where possible, neighbourhood plans. This would ensure that local centres are in a strong position to bid for money and be in a position to utilise Community Infrastructure Levy when it becomes available.



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- 4.3.4 This could be as part of a BID board where appropriate, or through involvement in town teams. Smaller centres will need the support of the District and Ward structures, recognising that not all wards have a local centre, and some have more than one.
- 4.3.5 The advantage of a locally determined plan is that physical and infrastructure issues that are identified in this report are best identified at the local level, including:
- Understanding why there are void properties in a local centre;
 - Which model of business partnership would work best;
 - Nurturing independence and diversity according to the character of each local centre;
 - Help resolve parking issues.
- 4.3.6 A local centre plan would address any lack of cohesion around projects around local centres, which is important as the more successful are those where a comprehensive approach was taken.
- 4.3.7 The Cabinet Member for Development, Jobs and Skills gave an undertaking in our session that responsibility for local centres would be devolved to the Districts. Details of this are awaited but the role of local councillors is clearly crucial in supporting local centres in:
- Helping to identify local priorities;
 - Ensuring links are made between public and private sector partners, including landlords and transport companies;
 - Informing people in local centres of City Council programmes and plans, to ensure local priorities are incorporated.

	Recommendation	Responsibility	Completion Date
R02	District Committees, as part of their District Plans, to identify actions to improve their individual local centres and set priorities for funding if available. This should be carried-out with local partnerships, including BIDs and be supported by the District Structures and the Planning & Regeneration Service. The Cabinet Member for Development, Jobs and Skills to incorporate within the Local Centres Strategy proposed at R01.	Cabinet Member Development, Jobs & Skills Executive Members for Local Services	October 2013

4.4 Role of the Corporate Centre

- 4.4.1 However, there are still some things that the corporate centre, in particular the Cabinet Member for Development, Skills and Jobs and the Planning and Regeneration team, is best placed to deal with, including:



- Ensuring local centres are sufficiently prominent in policy terms, and that this policy is understood across Council Directorates, to help counter perceptions of inflexibility and resistance to innovation;
- Exploring the use of meanwhile leases for City Council properties and help other landlords use these too;
- Exploring more mixed use in Birmingham's local centres including exploring new models of urban living suitable for Birmingham;
- Support local employment: the Employment Access Team has provided support in targeting training and recruitment by the larger foodstores to local communities has been valuable. Exploring how this could be extended to local centres would require more resource; however it would also help to secure local jobs for local people.

4.4.2 The City Council also needs to address the issue of its own funding streams, in particular Community Chest. It is suggested that Wards should be able to hold over funding from one funding year to the next, to enable larger projects to be funded. Linking this to a local centres plan would strengthen this argument. This is not about retaining unspent funds but allowing Wards to plan on a longer term basis and support larger, much needed, projects in that locality. In addition, the Cabinet Member should seek to ensure that major capital projects align with the needs, health and vitality of local centres, using the refreshed Local Centres Strategy to embed this across all Council policy.

4.4.3 Support for BIDs should also continue, and those areas that are suitable, and wish to become BIDs should also be supported. We were surprised to learn that the City Council was not charging for the collection of BID levies, and it is suggested that this should be looked at to see if a more cost-effective option is available, and whether the BIDs should pay the cost of collection, with the money going to support emerging BIDs. The City Council should also consider ways in which BIDs could be encouraged to work together, and reduce competition for funding between them.

4.4.4 Ideas for generating funds or resources to support local centres were discussed, and we believe that the proposal for a regeneration company as a vehicle to generate the funds for the regeneration of local centres should be further explored.

4.4.5 Finally, a Local Centres Project Board should be set up to oversee and co-ordinate work on local centres, ensuring that the strategy is carried out as far as funding is available, that good practice is shared and that competition for funding for local centres is kept to a minimum.



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	Recommendation	Responsibility	Completion Date
R03	That funding devolved to Districts can be "carried over" where the funds are linked to a specific project contained within a local centres plan, to allow Wards to plan on a longer term basis and support larger projects in that locality.	Leader	May 2013
R04	That major capital projects are directed and encouraged, and where possible facilitated to support the needs, health and vitality of local centres. This principle to be included in the refreshed Local Centres Strategy.	Cabinet Member Development, Jobs & Skills	October 2013
R05	Where any corporate resources are available to support local centres, levels of deprivation should be explicitly taken into account, alongside the health of the local centre.	Cabinet Member Development, Jobs & Skills	October 2013
R06	That the owners of properties in local centres, including the City Council, are encouraged to consider options available to them for filling empty properties, for example "meanwhile" leases ⁷ .	Cabinet Member Development, Jobs & Skills	September 2013
R07	That a report is presented to this Committee on the cost of sending out invoices for BID levies and options for cutting the cost of this.	Deputy Leader	September 2013
R08	That the costs of collecting BID levies from the five city centre BIDs are explored to ascertain if there are possibilities to subsidise the further development of suburban BIDs across Birmingham's local centres.	Deputy Leader Cabinet Member Development, Jobs & Skills	September 2013
R09	That the options available to the City Council, in conjunction with other stakeholders, such as setting-up special purpose vehicles to support regeneration of local centres, are explored to demonstrate the benefits and disadvantages.	Cabinet Member Development, Jobs & Skills	September 2013

⁷ A "temporary lease granted to tenants such as local voluntary or charitable groups, which permits the use of a vacant business property temporarily for a non-commercial purpose, while explicitly recognising that the landlord is looking for a tenant that will take a commercial lease of the premises."



	Recommendation	Responsibility	Completion Date
R10	That a Local Centres Project Board is set-up to lead and coordinate work on local centres, ensuring that: the principles of the Local Centres Strategy are incorporated in the development of major and local projects; that good practice is shared; that priorities for future funding are established; and that competition for funding between local centres is kept to a minimum.	Cabinet Member Development, Jobs & Skills Executive Members for Local Services	September 2013

4.5 Progress with Implementation

4.5.1 To keep the Birmingham Economy & Jobs O&S Committee informed of progress in implementing the recommendations within this report, the Executive is recommended to report back on progress periodically. This will be carried out through the established tracking process.

	Recommendation	Responsibility	Completion Date
R11	Progress towards achievement of these recommendations should be reported to the Birmingham Economy & Jobs Overview and Scrutiny Committee no later than September 2013. Subsequent progress reports will be scheduled by the Committee thereafter, until all recommendations are implemented.	Cabinet Member Development, Jobs & Skills	September 2013



Appendix A: Witness List

Cllr Tahir Ali	Cabinet Member for Development, Jobs and Skills
Cllr Randal Brew	Birmingham City Council
Cllr Lisa Trickett	Chair of the Districts and Public Engagement O&S Committee
Cllr Anne Underwood	Local Executive Member for Sutton Coldfield
Craig Buckby	Planning and Regeneration, Birmingham City Council
Nick Corbett	Transforming Cities Ltd
Martin Eade	Planning and Regeneration, Birmingham City Council
Sharon Freedman	Planning and Regeneration, Birmingham City Council
Pippa Goode	Innovation Boldmere
Robert Grosvenor	Lifford Business Association
Ghaz Hussain	Planning and Regeneration, Birmingham City Council
Chris Morris	Birmingham Property Services, Birmingham City Council
Jon Morris	Localise West Midlands and Acocks Green Business Improvement District
Roy Partington	Birmingham Property Services, Birmingham City Council
Mathew Powell	Planning and Regeneration, Birmingham City Council
Habib Rehman	Saltley Business Association
Sarindar Singh Sahota	Dudley Road Traders Association



Appendix 2: Summary of Portas Report Recommendations

1	Put in place a "Town Team": a visionary, strategic and strong operational management team for high streets
2	Empower successful Business Improvement Districts to take on more responsibilities and powers and become "Super-BIDs"
3	Legislate to allow landlords to become high street investors by contributing to their Business Improvement District
4	Establish a new "National Market Day" where budding shopkeepers can try their hand at operating a low-cost retail business
5	Make it easier for people to become market traders by removing unnecessary regulations so that anyone can trade on the high street unless there is a valid reason why not
6	Government should consider whether business rates can better support small businesses and independent retailers
7	Local authorities should use their new discretionary powers to give business rate concessions to new local businesses
8	Make business rates work for business by reviewing the use of the RPI with a view to changing the calculation to CPI
9	Local areas should implement free controlled parking schemes that work for their town centres and we should have a new parking league table
10	Town Teams should focus on making high streets accessible, attractive and safe
11	Government should include high street deregulation as part of their ongoing work on freeing up red tape
12	Address the restrictive aspects of the 'Use Class' system to make it easier to change the uses of key properties on the high street
13	Put betting shops into a separate 'Use Class' of their own
14	Make explicit a presumption in favour of town centre development in the wording of the National Planning Policy Framework
15	Introduce Secretary of State "exceptional sign off" for all new out-of-town developments and require all large new developments to have an "affordable shops" quota



Birmingham's Local Centres

16	Large retailers should support and mentor local businesses and independent retailers
17	Retailers should report on their support of local high streets in their annual report
18	Encourage a contract of care between landlords and their commercial tenants by promoting the leasing code and supporting the use of lease structures other than upward only rent reviews, especially for small businesses
19	Explore further disincentives to prevent landlords from leaving units vacant
20	Banks who own empty property on the high street should either administer these assets well or be required to sell them
21	Local authorities should make more proactive use of Compulsory Purchase Order powers to encourage the redevelopment of key high street retail space
22	Empower local authorities to step in when landlords are negligent with new "Empty Shop Management Orders"
23	Introduce a public register of high street landlords
24	Run a high profile campaign to get people involved in Neighbourhood Plans
25	Promote the inclusion of the High Street in Neighbourhood Plans
26	Developers should make a financial contribution to ensure that the local community has a strong voice in the planning system
27	Support imaginative community use of empty properties through Community Right to Buy, Meanwhile Use and a new "Community Right to Try"
28	Run a number of High Street Pilots to test proof of concept



Appendix 3: Evidence from Transforming Cities

Birmingham City Council
Birmingham Economy and Jobs Overview and Scrutiny Committee

Inquiry into how to generate growth and employment in Birmingham's local centres

20 November 2012

Key Witness Presentation by Nick Corbett MA MRTPI BA Hons of Transforming Cities Ltd.

Birmingham City Council can facilitate economic growth and the creation of jobs by becoming a strategic investor in its local centres. Sutton Coldfield town centre, the largest local centre, presents the greatest opportunity.

The current situation is that people are not spending as much of their money as we would wish in Birmingham's local centres because there are more attractive alternatives elsewhere.

The under-performing local centres often have an uninspiring environment and have a limited offer for retail, leisure, and residential use.

How do we raise confidence levels in these local centres? How do we increase footfall and attract the spending that will create jobs and prosperity?

Currently, it is council officers, often highways engineers, who make decisions about the design and management of these local centres.

A new decision-making regime is needed. Design and management decisions need to be made by people who know how to manage major visitor attractions. We need to learn from the tourism industry about giving people what they want.

People want their local centres to be more like the heritage destinations they visit on their holidays. These are mixed-use places with retail, leisure, residential, and car parking uses, all arranged in well-designed buildings set within a pedestrian-friendly public realm.

Sutton Coldfield is Birmingham's largest local centre and it presents the greatest opportunity for job creation and creating a major visitor attraction. I will focus upon this centre.

Research commissioned by Capital and Regional plc shows that only one third of people living within 25 minutes of Sutton Coldfield town centre actually choose to shop there. The other two thirds shop elsewhere, often in neighbouring local authority areas. The decline of this local centre over the last twenty-five years has cost the city literally billions of pounds and thousands of jobs.

The strategy I am advocating is not new. It is rolling out the 'Birmingham Alliance' approach used to transform the Bullring.

In the current economic climate private sector investors often need some form of public sector subsidy before they will invest in under-performing local centres. The

City Council may not be able to offer funding but it can invest its land and property into private companies that can deliver transformational regeneration.

If the Council were to invest its land and property into regeneration companies it could generate a significant income stream for the Council itself.

Birmingham Property Services – the Council’s estate’s department, is currently selling off Birmingham City Council’s land and property all over the city. In the current market the price they will get is low; this does not represent a good return for Council Tax payers.

In Sutton town centre, Birmingham Property Services is selling surface car parks and the historic listed Council House, but they could get much more for these assets if they acted strategically and put them into a regeneration company.

The Council needs to group together its land and property assets as a package. This package can then be exchanged for shares in a new Sutton town centre regeneration company.

For the sake of simplicity, let’s say the Council’s land and property assets in Sutton town centre are worth £20m.

The regeneration company would need to include the three big landowners: The Mall Sutton Coldfield, and two big pension funds. Again for simplicity let’s say the combined value of these company’s holdings in Sutton is £200m.

The Council’s property assets of £20m would make up 10% of the regeneration company.

Even before redevelopment happens, if the regeneration company makes an annual profit from its shops of £20m, then the Council would get 10% of that, i.e. £2m, so it’s making money straight away.

This kind of collaborative relationship between the Council, landowners, and developers could have benefits for everyone.

With the Council on board the regeneration company could borrow money at a preferential rate to pay for the transformation of the town centre. The Council could also borrow money against its share in the company and projected income streams to use as it wishes.

If the status quo continues in Sutton, then the Council’s adopted Sutton Coldfield Town Centre Regeneration Framework will remain on a shelf collecting dust and the opportunity to create thousands of jobs will be lost.

Birmingham Property Services will get a few hundred thousand pounds for Sutton’s surface car parks but the fragmented ownership will blight regeneration for decades.

Conversely, if the Council decided to put its assets into a Sutton town centre regeneration company then its surface car parks could be transformed into multi-million pound mixed-use developments, with retail and leisure use at ground floor

level, and residential use above. The listed Council House could become a boutique hotel attracting even more visitors.

The Council would be much better off being a development partner that shares in wealth creation.

The Mall group is the major landowner in Sutton town centre and they have been responsible for the transformation of other UK town centres, with mixed-use redevelopment. Their Chief Executive has identified Sutton town centre as being a place of investment opportunity. He wants to work in partnership with the City Council to deliver the transformation of the town.

A regeneration company could deliver the redevelopment of Sutton town centre and it could also undertake the ongoing management of the town centre following redevelopment. The Mall group has people who are experienced in managing major visitor attractions.

Working in partnership with the Council, the BID, and two pension fund landowners, the Mall group has the capacity manage the total environment to a higher standard in accordance with an agreed business plan and a public realm strategy.

Having three key landowners in Sutton town centre makes it much easier to deliver transformational regeneration. However, if the Council continues to sell off its sites in a fragmented way then delivery will be difficult. Both the Mall group and the BID have expressed concern about the Council's fragmented property sales.

Residential Investment:

To create a sustainable urban centre it is essential to include a residential population within it. Residents are eyes on the streets, they are pounds in the shops, and they are the people that will attract more people.

Town centre living is a growing phenomenon. People like living in local centres, especially young professionals and older people who are downsizing and want easy access to shops and facilities. Some people dream about living above the Marks and Spencer's Food Hall!

However, Birmingham's Development Plan option of releasing Green Belt land for 10,000 homes is a serious threat to attracting housing investment into local centres.

Releasing the Green Belt would take jobs and investment out of Birmingham.

Residents living on existing Green Belt housing estates, such as Harvest Fields on the edge of Sutton, make over 90% of their journeys by car. They make use of easy motorway connections to access other regional centres, including Ventura Park in Tamworth, Touchwood in Solihull, and the retail parks in the M6 corridor.

Birmingham's housing growth policy should support greater urbanisation within the city's existing built up area and it should prioritise housing growth in local centres. Green Belt development would simply result in further loss of retail spending and loss of associated jobs.

Development Control planning also has a role to play. The Planning Authority ignored its own planning policies recently when it granted an amended permission for the redevelopment of Mere Green local centre with zero homes, rather than the 100+ homes in the originally approved scheme.

It has been calculated that 47,000 homes can be built within Birmingham's existing built up area but that 80,000 homes are needed. Population modelling is notoriously unreliable but even 80,000 homes are needed, they could still be built within the existing urban area by doubling the density of new development.

People tend to shudder at the thought of high-density urban living because they think of tower blocks, but there are other models.

The highest urban density in the UK is in the Royal Borough of Kensington and Chelsea, but it also has the most aspirational environment. This is the streets and squares approach to high-density living and it could help to stitch together fragmented areas in Birmingham.

It does require a commitment to design excellence and to well managed public realm.

The Royal Borough of Kensington and Chelsea has areas of deprivation but all of its local centres trade well because people live in them and all around them and they choose to shop in them.

However, it's worth noting that with a £1b Westfield shopping mall being built a mile from Kensington High Street, the Council had to apply a completely new design regime. All of the highways paraphernalia was taken out of Kensington High Street to create a more attractive visitor destination.

Well-designed high density can happen in Birmingham's local centres.

The Council can promote mixed-use development in local centres across the city but it needs to be ready to package its land and property assets together and to do deals. Each centre needs a vision, a plan, and a bespoke delivery vehicle that responds to local needs and opportunities.

Creating a regeneration company in partnership with the Council of the kind I have described for Sutton Coldfield requires open channels of communication between developers and the key decision makers in the Council. Negotiations would normally involve the Council's Chief Executive and Leader.

Birmingham is so big, the Council's Chief Executive and the Leader are never going to be involved in the negotiation's involving every local centre.

But Birmingham does need a champion in the Cabinet to coordinate local centre regeneration and to oversee delivery. They need to be accessible to private sector development partners.

Solihull Council are showing what can be done in Shirley town centre with Parkgate, a mixed use development, including homes, that will transform the local centre. The Council used its Compulsory Purchase Powers to facilitate the development.

The Soho Road in Ladywood Constituency has traded incredibly well throughout the recession and there is demand for more aspirational housing from local business people who want to stay in the area; it needs a champion to make it happen.

To conclude, Birmingham's local centres need to offer a mix of uses, retail, leisure, and high-density urban homes, and they need to offer design excellence.

A new way of working with the private sector is required to make this happen.

Assets need to be pooled together into regeneration companies; privately owned land and property and that owned by the Council.

Decisions need to be made by people with experience of running major visitor attractions.

Housing led regeneration needs to be a part of this; housing investment needs to be directed into existing local centres - not the Green Belt.

Investing in local centres, including the transformation of Sutton Coldfield town centre, will enhance the global reputation of Birmingham and it will create thousands of local jobs.