



Subject:	Pragma Retail Analysis and Emerging Future City Centre Programme
Date:	12th February, 2020
Reporting Officer:	Sean Dolan, Acting Director of City Regeneration and Development John Greer, Director of Economic Development
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Restricted Reports	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Some time in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

Call-in	
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

1.0	Purpose of Report or Summary of main Issues
1.1	The purpose of the report is to present to Members: <ul style="list-style-type: none">- the key findings and recommendations in the Executive Summary of the Retail Analysis as developed by Pragma Consulting Limited (see appendix 1); and- the work undertaken by the Place and Economy Department in developing the Future City Centre Programme and its programme strands.

2.0	Recommendations
2.1	<p>The Committee is requested to:</p> <ul style="list-style-type: none"> i. note the key findings and recommendations in the Executive Summary of the Retail Analysis, as developed by Pragma Consulting Limited; ii. note the progress in relation to shaping the Future City Centre Programme and its programme strands aligned to the Retail Analysis; iii. agree that officers develop the programme strands through engagement with city stakeholders and provide the Committee with an annual update on collective benefits and outcomes of the programme; and iv. approve the attendance of the Chair and Deputy Chair (or their nominees) at the Belfast Chamber Belfast Forward Conference on 27th February, 2020.
3.0	Main report
3.1	<p><u>Background</u></p> <p>Belfast City Centre is currently experiencing significant levels of development and investment across a range of sectors, with a number of major regeneration and development projects set to come forward in the years ahead. Belfast City Centre Regeneration and Investment Strategy (BCCRIS) recognises that the city’s large-scale development projects are catalysts for wider city regeneration. This is further supported by the Belfast Agenda and the Local Development Plan. Fundamental to the delivery and development of the city’s ambitions, and ensuring that no one is left behind, is the Council’s Inclusive Growth Strategy.</p>
3.2	<p>The retail sector is crucial to Belfast’s physical and economic development. BCCRIS provides a vision for retail in Belfast City Centre as <i>“providing a regionally competitive retail offer and a shopping experience that is unmatched anywhere else in Northern Ireland”</i>.</p>
3.3	<p>Pragma Consulting Ltd was commissioned in April 2018 to undertake a Retail Analysis of Belfast City Centre to identify the challenges facing the city’s retail sector and inform recommendations on how best to address these. The scope of the Retail Analysis was developed in conjunction with the Belfast Chamber of Trade and Commerce (BCTC).</p>
3.4	<p>At the City Growth and Regeneration Committee meeting in September, Pragma Consulting Ltd presented the key findings and market intelligence on the retail sector and identified a number of recommendations and opportunities within the city’s retail offer. The attached Executive Summary (appendix 1) of the Retail Analysis Report documents the key findings and recommendations.</p>

Key Findings

3.5 Key findings as documented in Appendix 1 and as presented to the Committee in September 2019:

3.6 1. **Catchment and shopping patterns:** Belfast is the major shopping destination in Northern Ireland. Benchmarking its performance against comparable cities highlights the opportunity to draw more shoppers into the city centre from the existing catchment area. Belfast currently has a market share of £2.4bn and ranks 21st alongside Aberdeen and it is the relevance of Belfast's retail and leisure offer, and the lack of point of densities that is causing low sales densities, along with a vacancy figure of 17% within the Primary Retail Core. That said brands unique to Belfast and not replicated anywhere else in NI perform well. Independent retailing forms an integral part of Belfast's retail offer accounting for 51% of the city's retailing units, some 20% above comparable locations.

3.7 2. **Trading Gap Analysis** is a realistic estimate of potential turnover growth worth £114m a potential increase 23% on current non-grocery sales. This gap in the market highlights an opportunity to increase sales from existing customers by improving the relevance and breadth of the current offer.

3.8 3. **Impact of the City Centre:** Belfast's retail sector has the potential to be a driving factor for improving the city centre's performance and supporting further development. The positive impacts on the city centre include Belfast's strong independent retailing sector, tourism potential, new office developments, and the increasing demand for city centre living. The challenges of the retail sector are not unique to Belfast and are felt in the UK and Ireland. The ripple effect of the demise of popular high street brands have impacted on the retail landscape itself and performance of our high streets. Current trends affecting the retail industry and the shift away from physical bricks and mortar retail towards online shopping feed the customers desire for convenience and 'experience' on their shopping trips.

Recommendations

3.9 Pragma outlined a number of high-level recommendations and opportunities to address these challenges and to ensure the retail sector offers a dynamic and experiential destination for shoppers. These include; reviewing opening hours and legislation, enhancing the leisure provision, animating spaces and maximising the tourism opportunity through the development of a new central tourist destination, proposed as part of Belfast

Region City Deal. Creating a point of difference and a unique offering will be paramount in driving visits/footfall; supporting city centre living, improving accessibility, connectivity and infrastructure along with increased office/work space development. Together these will have positive impact on city centre vibrancy and inclusive growth.

Future City Centre Programme

3.10 To maximise the benefits and opportunities the retail and leisure sector can bring, the Council and its city partners must work together to embrace current and future trends to address the shortcomings in the existing retail offer. Taking into account Member's comments at Committee in September 2019 officers have developed a programme of work aligned to the retail analysis recommendations. The Future City Centre Programme aims to create a dynamic and experiential destination for shoppers and bolster Belfast as NI's dominant retail and leisure destination. Officers will continue to engage city partners including the BCTC, city reference groups, agents and retailers specialising in retail and leisure, local communities and traders and the Institute of Place Management.

3.11 The emerging key areas of work fall into five priority areas of focus as outlined below and will require cross-cutting collaboration across Council and wider city centre stakeholders.

3.12 **Physical Regeneration and Environmental Improvements:** Pragma recommend a clean, accessible and pleasant environment is a key aspect of the city centre experience. In collaboration with the BIDs, the Council have established a cleaner, greener, safer city stakeholder group to maintain focus cultivating a pleasant and clean city centre.

3.13 Pragma recognise that office and workspace development can help support the city's overall economy and help the retail sector flourish. Encouraging new developments to deliver quality environments through green and blue infrastructure improvements will help to improve the city centre. This is addressed through the public realm catalyst projects, upgrading the entries and lanes, and the City Centre Connectivity Study (CCCS) which will be presented to Members on a later agenda.

3.14 It also suggests that providing inclusive City Centre Living could provide a way to manage the amount of retail provision. A city centre residential population will benefit independent traders, providing 'round the clock' demand for goods and services. 'Living over the Shops' should be viewed as a key factor to bring vibrancy to the heart of the city while addressing vacancy and benefitting and protecting our built heritage.

3.15	<p>City Centre Vitality: According to Pragma, the trend of ‘Renewable Placemaking and Creating Instagram-able Places’ is a key industry trend that aims to create spaces that encourage customers to visit more regularly to ‘see what’s new’. In response to the fire at Bank Buildings, the Council has been delivering on this through coordinated entertainment, events and pop-up retail. Pragma recommend the better use of public space for animation events, pop up activities such as markets can entice people to the city centre. A calendar of events and entertainment to support this could provide an active marketing tool to drive footfall and encourage longer visits/stays in the city centre.</p>
3.16	<p>To tackle the trading gap, Pragma highlight the opportunity to increase sales from new and existing customers through improving the relevance of the city’s offer. Pragma suggest reviewing opening hours and legislation will improve performance and create an opportunity to attract new brands, entice start-ups and add to the desire to create a livable, mixed-use city centre. Members agreed in September 2019 that there was a need to consider the city centre Sunday offer in a wider context than “Holiday Resort” designation through an agreed Terms of Reference. The outcomes of this consultation and recommendations will be presented to Committee in a later agenda item.</p>
3.17	<p>Positioning the City to Complete: Pragma recognises that Belfast’s retail pull is driven by the ‘destination’ status the city holds. However, other comparable cities with dominant catchment achieve a greater shopper spend potential. This along with the challenge of online shopping suggests an opportunity to develop a proposition that provides “something different” to stand the best opportunity of future-proofing the city’s retail activity.</p>
3.18	<p>The proposed proposition is twofold:</p> <ol style="list-style-type: none"> 1. Targeting new/first to market brands unique to Belfast/Northern Ireland which will increase the retail pull and bolster Belfast as a retail destination; and 2. Supporting independents and start-up’s. The importance of SME’s and independent retailers as a growing focus for city centre retailing provides diversity and a point of difference versus online and out of town competition.
3.19	<p>Vacancy: Officers have identified the need to understand the vacancy rate in the Primary Retail Core in terms of marketing and positioning the city. A work plan has been identified to examine the number units that are commercially marketed (i.e. to let/for sale), those which are part of development sites and those which are vacant/derelict with current unknown ownership. Officers are currently engaging with commercial property agents to understand</p>

	<p>their retail portfolio, level of interest from international brands in locating to Belfast, feedback on challenges facing retailers/leisure operators from locating in the city centre and barriers to new entrants. An opportunity exists to utilise available vacant units for a plethora of alternative uses such as meanwhile uses potentially suited to community infrastructure, startups and the culture and arts sector as a means of testing products and concepts.</p> <p>3.20 Policy and legislation: Pragma recommends the need to create an overarching vision for the city centre as the economic driver of the region. They reinforce that communication between all departments, agencies and organisations could be more efficient and joined up. The Council has worked to establish a city governance structure to support the regeneration, development and the inclusive economic growth of the city. This involves the establishment of the Growing the Economy and City Development Community Planning Board and a cross public / private sector City Centre Reference Group.</p> <p>Next Steps</p> <p>3.21 Individual project strands will be brought back to the Committee as they develop. The Future City Centre Programme will be reported to the Committee on an annual basis, focusing on its collective benefits and outcomes, and identified future priorities.</p> <p>3.22 BCTC is hosting a Belfast Forward Conference on 27th February to help harness the energy in the city to promote regeneration, economic growth and social benefits with strong linkages to the Future City Centre Programme. The Chamber has extended an invitation to attend the conference to the Chair and Deputy Chair of the Committee, along with officers involved in the Future City Centre Programme.</p>
	<p><u>Finance and Resource Implications</u></p> <p>There are no current financial implications for the Future City Centre Programme, however emerging work strands will be brought to the Committee as appropriate.</p> <p><u>Equality or Good Relations Implications/Rural Needs Assessment</u></p> <p>All emerging work strands will be individually screened for Equality and Good Relations Implications/Rural Needs Assessment</p>
4.0	Documents Attached
	Executive Summary of the Retail Analysis (Pragma)