Report to Economic and Environmental Well Being Scrutiny & Policy Development Committee

Report of: Simon Green

Subject: City Centre Vibrancy

Author of Report: Brendan Moffett, Director – Marketing Sheffield (2232345)

Summary:

Sheffield retains a clear ambition, to maintain and grow a vibrant city centre, a key element of the Council's Competitive City strategic outcome.

Vibrancy is created by a combination of elements, from our cultural offer, festivals and events programme to a strong hospitality sector of bars and restaurants.

In order to facilitate the above, the city centre must have good accessibility and be well managed with an attractive public realm.

These are not insignificant challenges. There are long term plans in place (which have gathered significant momentum recently) to re-develop the retail offer, however the city must continue to work hard to maintain a strong programme of animation, content and meanwhile uses to keep the city buoyant and attractive to significant future investors.

Increasingly, in the light of budget reductions, Sheffield City Council will need other organisations from within the city to take shared responsibility for the city centre, utilising innovative new models such as Business Improvement Districts (BID) to fund activities where possible.

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Type of item: The report author should tick the appropriate box

Reviewing of existing policy	
Informing the development of new policy	
Statutory consultation	
Performance / budget monitoring report	
Cabinet request for scrutiny	
Full Council request for scrutiny	
Community Assembly request for scrutiny	
Call-in of Cabinet decision	
Briefing paper for the Scrutiny Committee	x
Other	

The Scrutiny Committee is being asked to:
The Committee is asked to consider the approach being taken to sustain city centre vibrancy and provide' views, comments and recommendations.

Background Papers:

Sheffield Economic Strategy (Creative Sheffield 2013).
Sheffield City Centre Masterplan (Draft 2013)
Beyond the High Street – Why our city centres really matter (Centre for Cities 2013)

Category of Report: OPEN

1. Introduction/Context

1.1- The last few years have been about weathering the storm of recession and trying to make progress in tough economic conditions. Although these economic realities remain – **opportunities are now emerging** and the city must position itself to take full advantage of them.

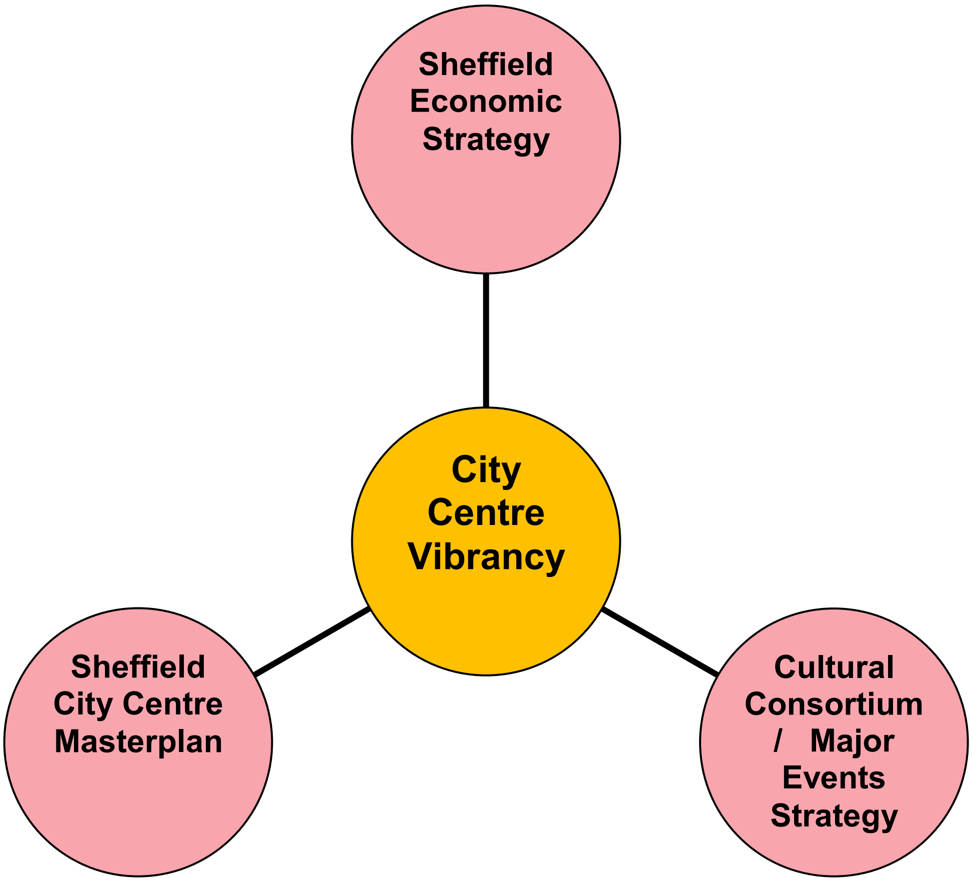
1.2 - A vibrant City Centre is integral to achieving our ambitions to be a **Competitive City**.

Our vision for Competitive City is:

'Sheffield will be a sustainable city which stimulates and ***incentivises business opportunity*** *in order to attract investment and growth, creating a competitive advantage that will provide more and better jobs, enhancing the quality of life and reputation to attract people to live, work and visit; a city of independence, authenticity and distinction.'*

1.3 - There are existing delivery plans that set out our aspirations and planned activity in detail. It is essential that these approaches and strategies work in a joined-up way to ensure maximum impact from our investment and efforts.

Figure 1 – Strategic Alignment



2. Main body of report, matters for consideration, etc

2.1 - Despite the rapid strides made in the last decade which transformed the feel of the city centre the over-whelming impact of the recession has been to reduce the confidence and capacity for further investment and regeneration. Whilst some stalled projects are now progressing this has inevitably had an impact on the vibrancy in Sheffield City Centre.

2.2 - As well as **long-term mainstream projects** we must remain open to **short term or experimental initiatives**. Some may have only a short term impact, but others may turn out to be valuable seedbeds for the next generation of new ideas and talent.

2.3 - The city centre population has increased significantly more than Doubling in recent and as well as residents, city-centre based workers remain a key requirement to create a critical mass of people using the centre daily that will attract further investment, like bars and restaurants.

In the report '**Beyond the High Street' Centre for Cities (2013)** it highlights:

*Future economic growth - many of the highest skilled and best paid industries – which have been critical sources of jobs growth in recent years - **prefer to locate in city centres**. This is because a city centre location offers advantages including access to more skilled labour because of transport connections) and opportunities to exchange information as a result of being close to clients, competitors and collaborators.*

2.4 - This confirms that Sheffield City Centre remains a key driver of the City Region economy and we need to focus our vision for the future. Major retail development and infrastructure projects such as HS2 will continue to contribute to vibrancy, but we also need a more holistic approach and to take action to make the City Centre a place with a well-rounded offer which people choose to come and enjoy using. This includes visitors, businesses and local residents.

2.5 Vibrancy is about people using and enjoying the City Centre. This means:

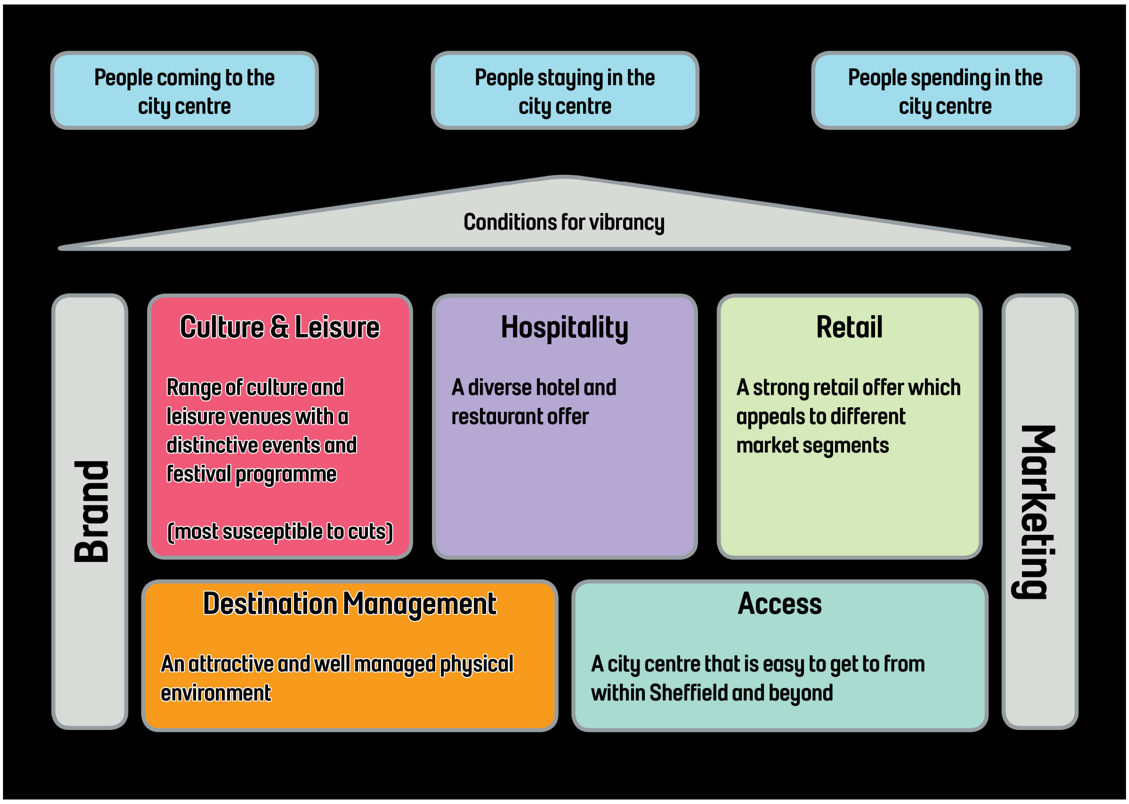
- **People are coming to the city centre,**
- **People are staying in the city centre, and**
- **People are spending money in the city centre.**

2.6 - A vibrant City Centre provides the services and facilities that businesses, customers, residents and visitors demand. It creates jobs, attracts investment, generates income and is a key contributor towards economic growth. Sheffield needs to be competitive with neighbouring towns and, importantly, other core cities.

2.7 We think this relies on:

- **A strong Culture and Leisure offer** – the scale and breadth of opportunities and things to do including events and animation and a quality evening / night-time offer.
- **Excellent Hospitality** – quality hotels and a mix of great restaurants and bars.
- **Retail** – with a wide range of shopping opportunities from the Big brands to small independent shops catering for niche markets.
- **Public realm** – including venues that people travel to visit, a Modern and well-connected urban landscape and a well maintained and safe place.
- **Access** – people being able to get into and out of the city centre, including ample parking.

Figure 2 – Vibrancy Model



3 Update on Progress

3.1 **Culture and Leisure** The Culture sector has become more cohesive and collaborative by the creation of the Cultural Consortium. This group, currently chaired by the CEO of Museums Sheffield has made significant strides to attract additional investment into the sector. The Consortium successfully bid into the Cultural Destinations Fund in late 2013 (a joint initiative between the Arts Council and Visit England). This funding of circa £270,000 over 3 years will help to sustain the city's festivals programme and help the city develop a stronger proposition for cultural tourists.

Sheffield Theatres was once again voted regional theatre of the year with record ticket sales. March 2014 saw the launch of the Yorkshire Festival, 100 days of Art and Culture to correspond with the Tour de France – Grand Depart.

3.2 In February 2014, Scottish Widows Investment Property Partnership Trust (SWIPPT) confirmed that The Light will be the cinema operator in a major 200,000 sq feet retail and leisure development phase 2 of The Moor. The 9 screen cinema is due to be open late 2015 and will be accompanied by seven new restaurants.

3.3 New investment has also been attracted to the city in the hospitality sector. The Hampton by Hilton opened on West Bar Green in March 2014; this stylish modern brand adds in excess of 130 rooms to the city's stock.

Hotel Occupancy has been strong in the last year, with occupancy up 3% at 72% (STR Research). Smoke Barbecue, Cosmo Restaurant and Pizza Express have all opened in St Paul's Place in the last 18 months.

3.4 Retail remains the biggest challenge, but progress is now being made. In March 2014 Sheffield City Council announced its intention to create an innovative approach to the development of the planned 600,000 sq ft **Retail Quarter** in the City, the project will be led by a public/private fund. Launched at MIPIM, the fund has been well received by potential investors and developers. Summer 2013 saw the successful introduction of 'Summer Saturdays' which boosted city centre footfall in target areas by 12%. Future initiatives under consideration for meanwhile uses of empty shop premises have included a series of workshops with the creator of Re-New Newcastle, a highly successful meanwhile retail scheme in Australia. An action plan is being drawn up in April 2014 by key city centre stakeholders in Sheffield.

3.5 City Centre Footfall

To date, footfall across Fargate and Division St is down compared to the same period in 2013 however Pinstsone Street and the Moor is up which shows a clear movement of foot flow from the traditional busy areas around High Street and Fargate to the Moor.
The table below shows the overall position for February 2014 which provides a snapshot of the ongoing position.

Fig 3 – City Centre Footfall

	Moving Average*	Annual % Change	Monthly % Change
Sheffield	▼ -4.7%	▼ -5.8%	▲ 14.1%
Regional City	▼ -1.1%	▼ -5.0%	▲ 5.9%
North & Yorkshire	▼ -2.2%	▼ -5.0%	▲ 7.9%
UK Towns & Cities	▼ -1.8%	▼ -5.3%	▲ 3.9%

*Moving Average-The average annual % change in pedestrian flows for the last twelve months.

Clearly Towns and City Centres are still being affected by ongoing declining footfall however Sheffield's 'moving average' position is worse due to a poor Spring and Autumn.
Initiatives such as 'Summer Saturdays' did have a positive impact and increased footfall on the Saturdays over the summer period by an average of 12%. There is no doubt that events, programmed animation and good marketing does have a positive impact on footfall but its critical to ensure the increased numbers of people are turned into spend within the city centre businesses.

Despite the issues with footfall, most of our retailers are managing to survive and are positive about the future which is highlighted by a recent survey carried out on our behalf by the Retail Group. Some of the headlines are below.

- ATV up from under £5 in 2012 to between £11-£15. However 47% said their ATV's were still below £15. A city of Sheffield should be around the £30-£40 area.
- 55% stated that turnover in in line/up year on year
- 50% said they are at least matching their regional trends
- Regular/local shopper and worker base dominates
- More than 50% stated that customer numbers had fallen

3.6 The Future

With the success of the new Moor Market, the imminent announcement of the NRQ revised plans and an increased number of new businesses opening, there are some signs of confidence returning.

Plans for events so far for this year include extending the **Food Festival** to the Moor, revised **Tramlines Festival** with higher profile artists, increased content on Sheffield by the Seaside and the **City Centre Hub as part of the Tour De France**. We are also working with partners on a new event to fill the gap that Fright Night has left.

Work on the City Centre Business Improvement District is progressing well with an expected ballot in November this year. If successful, the **BID** could generate in excess of £800k additional per year for the BID Company to spend on tangible improvements to the trading environment which will include events, animation and marketing.

4. Recommendation

4.1 We are seeking views and comments from the Committee, to provide constructive challenge to our thinking to the approach being undertaken via the Competive City Outcome to maintain City Centre Vibrancy.

5. Other relevant documents

5.1 **Appendix 1:** Vibrant City - Statement on Performance – November 2013

Appendix 1:

Vibrant City - Position Statement on Performance – November 2013

This provides an update on measures that show how vibrant our City Centre is including:

- Number of overnight visitors to Sheffield and spend (£ millions)
- CACI Retail Ranking
- City Centre Footfall
- Hotel Offer [Occupancy; Yield]
- University Popularity and Student Numbers

1. Overnight Visitors

Based on the number of trips by domestic overnight visitors to the top 20 English towns

	2006	2007	2008	2009	2010	2011	2012
1	**London**	**London**	**London**	**London**	**London**	**London**	**London**
2	**Manchester**	**Manchester**	**Manchester**	**Manchester**	**Manchester**	**Manchester**	**Manchester**
3	**Birmingham**	**Birmingham**	**Birmingham**	**Birmingham**	**Birmingham**	**Birmingham**	**Birmingham**
4	**Bristol**	Blackpool	**Bristol**	Scarborough	Blackpool	**Bristol**	Scarborough
5	Blackpool	**Bristol**	**Leeds**	**Bristol**	Scarborough	Scarborough	**Leeds**
6	**Leeds**	Scarborough	Blackpool	Blackpool	**Bristol**	York	**Bristol**
7	Scarborough	**Leeds**	York	York	**Leeds**	**Leeds**	York
8	**Newcastle**	York	Scarborough	**Leeds**	York	Blackpool	**Liverpool**
9	**Liverpool**	**Sheffield**	**Newcastle**	**Newcastle**	**Newcastle**	**Liverpool**	Blackpool
10	York	**Newcastle**	**Liverpool**	Brighton	**Liverpool**	**Newcastle**	**Newcastle**
11	**Nottingham**	Bournemouth	Brighton	Isle of Wight	Isle of Wight	**Sheffield**	**Sheffield**
12	Isle of Wight	Isle of Wight	Bournemouth	**Liverpool**	Skegness	Brighton	**Nottingham**
13	Bournemouth	Brighton	**Sheffield**	**Nottingham**	**Nottingham**	**Nottingham**	Skegness
14	Brighton	Southampton	Isle of Wight	**Sheffield**	Bournemouth	Isle of Wight	Brighton
15	Skegness	**Nottingham**	**Nottingham**	Skegness	Brighton	Bournemouth	Isle of Wight
16	**Sheffield**	**Liverpool**	Skegness	Bournemouth	Norwich	Skegness	Bournemouth
17	Norwich	Torquay	Southampton	Southampton	**Sheffield**	Southampton	Portsmouth
18	Southampton	Norwich	Great Yarmouth	Great Yarmouth	Southampton	Norwich	Southampton
19	Torquay	Skegness	Oxford	Oxford	Bath	Cambridge	Oxford
20	Plymouth	Plymouth	Plymouth	Plymouth	Oxford	Plymouth	Norwich

Source – UK Tourism Survey (UKTS)

2 – Spend by overnight visitors

Domestic Overnight Stays (GBTS)	2011		2012	
	Trips	Spend	Trips	Spend
	('000s)	£m	('000s)	£m
1.London	11093	2398	12152	2784
2.Manchester	2613	523	3126	566
3.Birmingham	2251	344	2748	454
4.Scarborough	1645	308	1726	323
5.Leeds	1493	242	1548	269
6.Bristol	1828	264	1518	226
7.York	1615	331	1517	271
8.Liverpool	1428	251	1470	256
9.Blackpool	1478	263	1298	321
10.Newcastle	1303	247	1251	260
11.Sheffield	1293	114	1233	155

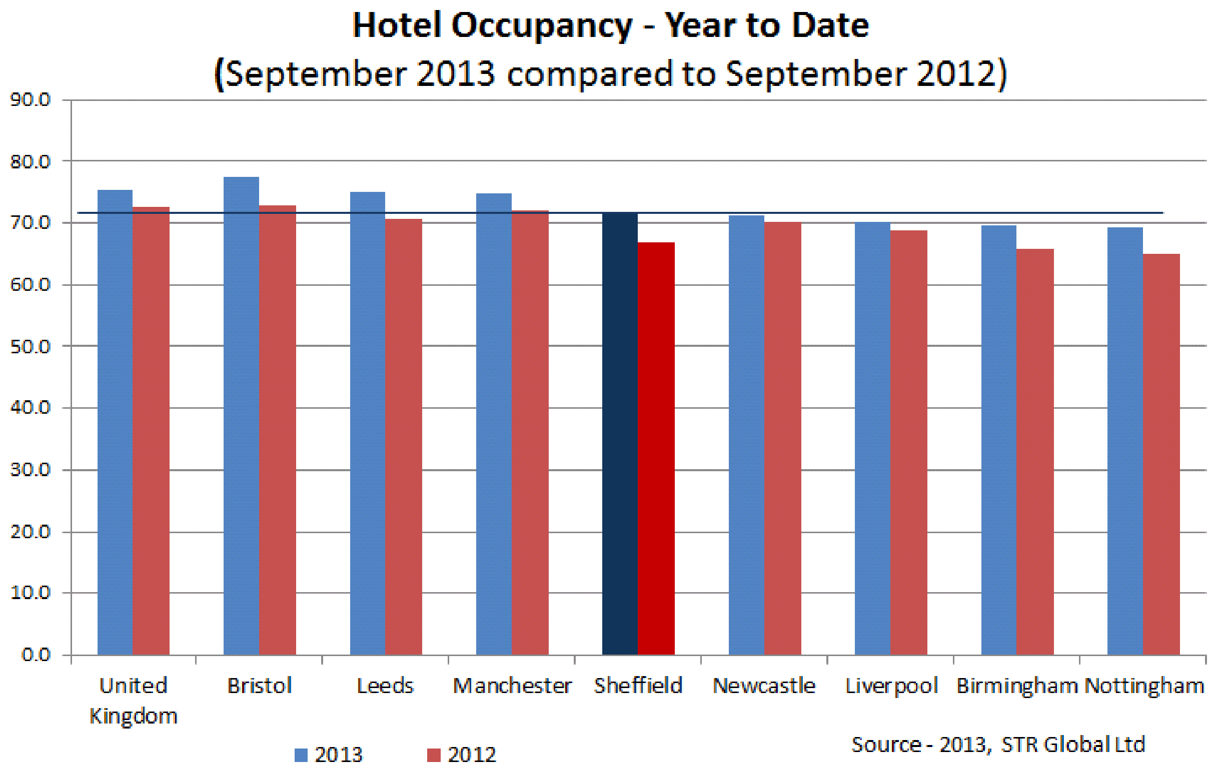
Source – UK Tourism Survey (UKTS)

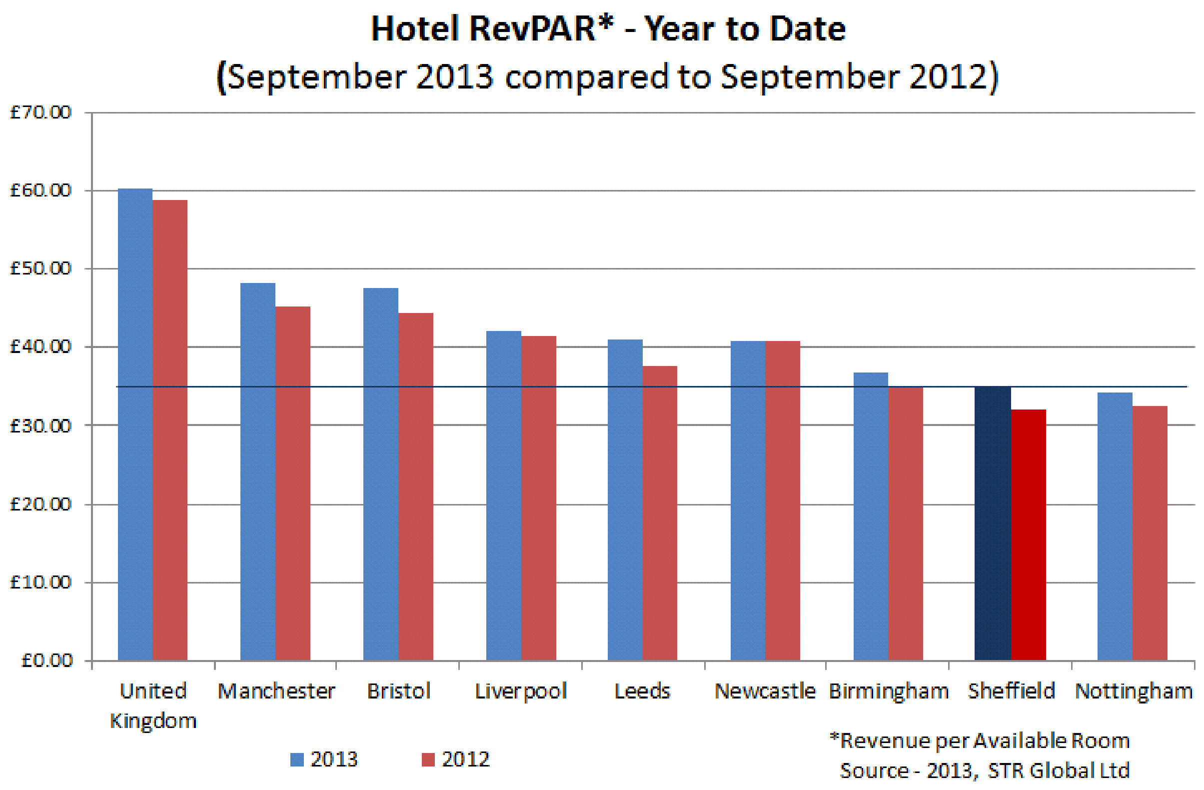
3 Retail Rankings (CACI Data)

Rank	Name	Expenditure £m			Trend	Rank		
		2010	2011	2012		2010	2011	2012
1	London West End	£3,170	£3,270	£4,770		1	1	1
2	Glasgow	£2,550	£2,480	£1,940		2	2	2
3	**Manchester**	**£2,320**	**£2,340**	**£1,800**		**4**	**4**	**3**
4	**Birmingham**	**£2,430**	**£2,430**	**£1,640**		**3**	**3**	**4**
5	**Liverpool**	**£1,960**	**£1,790**	**£1,370**		**5**	**5**	**5**
6	Westfield, London	£1,370	£1,460	£1,250		8	8	6
7	**Leeds**	**£1,520**	**£1,490**	**£1,180**		**7**	**7**	**7**
8	**Nottingham**	**£1,810**	**£1,730**	**£1,150**		**6**	**6**	**8**
9	London - Knightsbridge			£1,150				8
10	Bluewater	£1,140	£1,140	£1,090		12	12	10
11	Westfield, London	£1,370	£1,460	£1,060		8	8	11
12	Edinburgh	£1,030	£1,090	£1,020		16	14	12
13	London - Covent Garden			£1,010				13
14	Meadowhall	£1,050	£1,080	£980		13	15	14
15	**Newcastle**	**£1,230**	**£1,240**	**£970**		**10**	**10**	**15**
16	Norwich	£1,180	£1,180	£970		11	11	15
17	Trafford Centre	£990	£960	£950		19	19	17
18	Milton Keynes	£1,020	£1,010	£940		18	18	18
19	**Bristol**	**£1,040**	**£1,020**	**£910**		**14**	**16**	**19**
20	Kingston upon Thames			£890				20
21	Leicester	£1,040	£1,100	£870		14	13	21
22	Brighton			£790				22
23	Reading	£960	£1,020	£780		21	16	23
24	Cardiff	£1,030	£920	£760		16	20	24
25	London - Kings Road			£700				25
26	Bath			£680				26
27	Aberdeen			£680				26
28	**Sheffield**	**£970**	**£910**	**£670**		**20**	**21**	**28**
29	Croydon			£660				29
30	Gateshead Metrocentre			£660				29

Source: CACI's Retail Footprint

2. **Hotel Occupancy**




Hotel RevPAR* - Year to Date
(September 2013 compared to September 2012)
£70.00
£60.00
£50.00
£40.00
£30.00
£20.00
£10.00
£0.00
United Kingdom
Manchester
Bristol
Liverpool
Leeds
Newcastle
Birmingham
Sheffield
Nottingham
2013
2012
*Revenue per Available Room
Source - 2013, STR Global Ltd

3. **Visitor Attractions**

Rank	Name of Attraction	Category	2011 Visitors	2012 Visitors	% Change
1	Museums Sheffield: Millennium Gallery	Museums & Art Galleries	869,410	849,360	**-2.30%**
2	National Railway Museum	Museums & Art Galleries	712,000	716,000	**0.60%**
3	National Media Museum	Museums & Art Galleries	481,000	504,000	**4.80%**
4	The Hepworth Wakefield	Museums & Art Galleries	351,163	387,840	**10.40%**
5	Sheffield Botanical Gardens	Gardens	300,000	300,000	**0.00%**
6	Museums Sheffield: Weston Park	Museums & Art Galleries	250,114	255,617	**2.20%**
7	Royal Armouries Museum	Museums & Art Galleries	222,461	224,400	**0.90%**
8	Whitby Lifeboat Museum (RNLI)	Museums & Art Galleries	200,000	200,000	**0.00%**
9	Castleton Visitor Centre	Visitor Centres	173,297	156,677	**-9.60%**
10	Ferens Art Gallery	Museums & Art Galleries	159,374	156,137	**-2.00%**
11	Kirkstall Abbey	Museums & Art Galleries	172,823	123,947	**-28.30%**
12	National Coal Mining Museum for England	Museums & Art Galleries	101,403	111,957	**10.40%**
13	Heeley City Farm	Farms	100,000	100,000	**0.00%**
14	The Moors National Park Centre	Visitor Centres	107,304	93,772	**-12.60%**
15	Sutton Bank National Park Centre	Visitor Centres	95,582	90,369	**-5.50%**
16	Streetlife Museum	Museums & Art Galleries	87,366	83,171	**-4.80%**
17	Maritime Museum	Museums & Art Galleries	66,934	79,751	**19.10%**
18	Cliffe Castle Museum	Museums & Art Galleries	74,683	74,973	**0.40%**
19	RSPB Bempton Cliffs Reserve	Wildlife	60,000	65,000	**8.30%**
20	Charlottes Jersey Ice Cream	Other	50,000	60,000	**20.00%**