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ECONOMIC DEVELOPMENT, CULTURE AND LEISURE SCRUTINY PANEL

MINUTES of the meeting of the Economic Development, Culture and Leisure Scrutiny Panel held on Thursday, 14 December 2023 at 1.00 pm at the Guildhall, Portsmouth

Present

Councillor Russell Simpson (in the Chair)
Councillors John Smith
Yinka Adeniran
Peter Candlish
Leo Madden
George Madgwick

Also present:

Claire Watkins - Business Development and Projects Manager
Rebecca Alexander - Economic Development, Places and Markets Manager
Jane Lamer - Head of Economic Growth and Skills
Allison Harper - Democratic Services

8. Apologies for absence (AI 1)

There were no apologies for absence.

9. Declarations of Members' Interests (AI 2)

There were no declarations of interest.

10. Scrutiny Review of the Economic Development & Regeneration Strategy focusing on High Street Direction (AI 3)

Witnesses

Tim Keeping - Manager of Port Solent
Phil Salmon and Les Pink - Project Team for the former Debenhams site, Commercial Road.
Louise Whitmore - Love Southsea Market

Alice Masterman, Fludes, provided a written statement which was read out by Allison Harper, Democratic Services.

Councillor Madgwick left the meeting at 1:30pm.

Phil Salmon - Former Debenhams Site

Phil told the Panel that he is currently dealing with the extensive former Debenhams site in Commercial Road, which includes the former Station Street car park. The property had been vacant since the beginning of 2020 when Debenhams went into voluntary administration. Phil, along with the landowners, have been working positively with PCC planning department and

the PCC Regeneration Team. A planning application is to be submitted shortly with the draft technical documents having been submitted in November. A public consultation exercise had been held in December 2022 and January 2023 and the messages from the consultation were that there was no desire for student accommodation in the city centre. There was a need to provide high quality design housing for local people and the scheme must include retail spaces. The public realm was also important with the need for quality community space. Parking and public transportation were also considered.

The current design comprises a major tall building on the corner of Commercial Road and Arundel Street. The ground floor will be retail with two or three floors of commercial space and 30 storeys of residential. The other blocks within the scheme will be different forms of private rented residential.

Phil advised they had been working very closely with the planning officers who were keen for the visual impact to be considered as it will be a very tall building. Planning was also pushing for high quality design.

Phil advised the viability and deliverability of the scheme had been considered within the changing market and advised that, at the present time, there were no drivers for the retail spaces although there were drivers for the residential side of the design. The scheme will still go forward, and the retail space will be available in a flexible form. Other things also being looked at are transportation and the different forms of residential tenure, technical reports for air zone quality and contamination on the site. Discussions with planners and the Regeneration team on these elements continue. Phil advised they are really keen that the planning gets determined as quickly as possible.

Questions

In response to questions from the panel Phil and Les advised:

- The development would include 3000 square meters of retail space on the ground floor which can be subdivided as required into smaller units. The units need to provide as much frontage as possible either onto Arundel Street or Commercial Road and internally as well.
- They saw the retail market changing dramatically with it downsizing. They considered the units could be showrooms for a commodity which would then be dispatched to you via drones etc in the future. Hence the need for flexibility in the units.
- They had looked at the scheme as a whole and noted the main drivers were the private rented sector (PRS) so the design would be like a hotel reception area with work areas, café, bar, coffee shop and retail. With this type of accommodation people who train or study in Portsmouth are kept within the parameters of the city. It is a living experience in the PRS with a visiting area for people as well as the local people who live there.

- In relation to the surrounding area of the core development, they have considered the 'desire lines' i.e., where people are and where they want to get to. The scheme has a criss-cross of desire lines. There is a strong desire line for people to get to the Post Office and the train station. Connectivity into the site from Commercial Road has to be an attractive and safe route and public realm. They are focused on creating a sense of place in the heart of the square actively fronted by cafes and a grand reception to the residential and the rest of the retail buildings.
- The scheme, ultimately, was about getting the units occupied and generating income offsite and spending to the city centre. There was a balance to be struck between the nighttime and daytime economy. They saw the ground floor and maybe the upper two floors of the corner of Commercial Road and Arundle Street being vibrant and then the vibrancy leading into the rest of the site.
- The aim was to encourage and keep people in the city such as those coming through university or doctors etc. The main thrust is private rented not traditional social housing and looking to create a vibrancy through the mix of people. In parallel, affordable housing was being considered as to how this could be included and keep the scheme viable. It may be key worker housing could be provided.
- Car parking was a key challenge. There would only be a provision of 34 car parking spaces, for people with access issues and electrical car charging points. Also, potential car leasing options for residents. It is a highly sustainable location with taxi ranks, trains, and buses right on the doorstep so in theory residents shouldn't need a car. There could be some underground car parking.
- They did not see car parking for residents competing with car parking for businesses and their customers.
- The developers were looking mainly at the site and how to make it work for the residents, rather than the development outside of the site. The advantage was that it will bring people to live right in the city centre and this, by its nature, improves the security of the area. They agreed that lighting makes a difference in this aspect.

Tim Keeping - Port Solent

Tim advised he manages Port Solent and works for Solent Commercial Properties as a consultant. He is also the Chair of the Business Improvement District (BID) in Southampton.

Port Solent was built 35 years ago. In that time there has been a huge increase in casual dining with people eating out more than they did 35 years ago. Port Solent has evolved its offering to customers with it being almost exclusively dining. They compete heavily with Gunwharf, but they do have the benefit of free car parking. They also compete with Whiteley.

The buildings need major refurbishment. Tim noted that what had really helped was the tenure in which the site was held - a long leasehold from Portsmouth City Council which was owned by Unilever pension funds. The pension fund, as landlord, during Covid was not chasing cash as it is part of a much bigger portfolio and retailers were offered fairly generous rent-free periods to retain them on site. Expiry was pushed back with generous extensions. Some of the operators, with bounce back loans, rent freezes and business rate freezes and then grants were doing better than they had in years. A lot used that money to reinvest in their businesses, hence the current growth on the site. However, occupiers are starting to feel the pinch, with increases in energy costs and price sensitive customers alongside the increase in the minimum wage coming in next year. A lot of the businesses are now only opening a few days a week to breakeven.

Tim observed it is an extremely fragile market at the moment and there may be more casualties to come. The landlord has the ability to ride this out. It is a much bigger problem than streetlights and hanging baskets with Covid knocking out 10 years of change on the high street.

Questions

In response to questions from the panel Tim advised:

- There is no bus service to Port Solent as this had been heavily subsidised by PCC. The removal of the bus had a big impact on the ability of occupiers to recruit due to difficulty of getting to and from the site without their own transport.
- The events held at Port Solent were primarily to put money in the tills of the occupiers and to attract customers from a 'three-ringed' area. Throughout the year there are regular markets to attract more footfall to Port Solent. There are also car meets, music events and the Christmas Market which can be challenging in terms of the number of people and the amount of car parking available. The field opposite has been used as an overflow car park on occasion but getting permission for this from PCC was challenging. Being able to use it on a regular basis would be helpful.
- Port Solent had tried on several occasions to have a public taxi rank on site. However, with Port Solent being off the island, taxi firms are not keen as more money can be made in the south of the city.
- Having a flexible but strategic thinking landlord had helped keep occupancy rates high. Port Solent was a unique site in that respect. However, service charges for maintaining the site are rising. Port Solent has a complicated ladder of service charges as everyone pays towards the marina maintenance and upkeep.
- To help drive footfall to the Port Solent events, PCC could support by helping with the overflow car parking as this can cause access issues during very big events.

- Tim explained how Port Solent has become a popular parking spot for campervans overnight before boarding a ferry to France and that they had embraced this. Tim considered that the land south of the marina could be a good revenue stream for PCC for overnight campervan parking which would then free up the Port Solent car park for customers. He had calculated this could generate a revenue stream of £60k per year after running costs for PCC.
- Port Solent had considered if a park and ride scheme would be beneficial and considered the signage to the site was pretty good.
- With the proposed Tipner Site and a potential bridge, Tim considered Port Solent could become a neighbourhood centre.
- Tim stated they compete on the leisure spend directly with Gunwharf, but Port Solent is not interested in the outlet aspect of retail. With Gunwharf moving the price point of their retail offer they risked losing the resident catchment and he considered that Commercial Road could become an extension of that outlet shopping with lower price point outlet shops.
- The successful element for a BID is to write a manifesto based on what people say they want and actually setting out to deliver it, that is the essence of a BID. The business plan is written around what people say are the problems and then saying you can fix these problems, but money is needed. A successful BID is about delivering realisable results in a timeframe that most levy payers would understand.
- Key is the people on the BID board, with a corresponding officer in the City Council. This gives the ability to be agile and the ability to get on with something once the decision has been made. There is no committee to go through.
- A BID has to remain relevant and keep talking to levy payers and have good strategic representation on the board. A good diversity policy is key to include sectoral size, geography, and size of business. Key is representatives from all sectors including food and beverage and independent retailers.
- The start has to come from the local authority but is very quickly passed on to the private sector to take forward. Some funding will have to come from the local authority to start - about £100k - as there is a need to pay external consultants to keep the BID on track, the cost of marketing, collateral materials etc. It's important that it doesn't just become another branch of the city council.

Louise Whitmore, Love Southsea Market

Louise told the panel that she had run the Love Southsea Market for 15 years. When the market first started, Palmerston Road had a thriving high street with John Lewis and Debenhams in situ. The market brought in a lot of independents. The idea for the market was to get independents from their

kitchen table to market stand to shop and there had been a number of successes over the years. The market had remained in Southsea and kept the pound in Portsmouth.

Louise considered Palmerston Road had now changed as there was no longer the same number of shops, but an increase in coffee culture. Debenhams was currently being developed to provide some retail units, flats and a doctor's surgery. She considered Southsea was doing well with the market getting lots of traders coming through.

Questions

In response to questions from the panel Louise advised:

- To help the continuation of the Love Southsea Market, PCC could provide a more permanent structure - along the lines of Covent Garden. This would be a covered structure where traders could come along and set up their tables. It should be a simple structure and not enclosed and this was not conducive to people shopping from the stalls.
- The market had not been so successful in Whiteley as people were more inclined to buy from a shop than the market stall. However, in Southsea people were more inclined to shop from the stalls of an independent trader than a corporate trader. Portsmouth and Southsea residents have a certain pride in their city.
- A market in Commercial Road needed a lower price point than the Love Southsea market - Louise envisaged this as selling items that are typically sold in Tik Tok shops or the old Charlotte Street market.

The Chair thanked everyone for attending and noted that the next Scrutiny Panel meeting had been moved from 5th to 8th January.

The meeting concluded at 2.46 pm.

Councillor Russell Simpson
Chair