

Neighbourhood Plan: Economy Task Group

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Creating a buzzing and characterful High Street for the future: that features independent traders, an innovation and business centre, serves as a social and community hub, with an evening life.

New Milton's town centre is a Community town aiming to offer a convenient mix of goods and services. The impact of the supermarket and online shopping is seen with the loss of traditional high street shops and a very high number of charity shops; as well as a large number of cafes. Bradbeers Department Store is a key asset as a destination drawing shoppers into the town. Independent retailers, franchises and regional chains give the town more individuality. These traders don't have the vast business and marketing resources of national chains but they can offer a personal service, local knowledge and flexibility that can give them an important edge over national chains to understand and deliver on customer needs.

In the UK, 90% of the retail experience is now online when considering the activities that might be involved in a purchase: *research, compare, review, purchase, delivery/pick up* – so, apart from impulse purchase, daily purchases and bargain shops, much is bought online and collected in-store, or found instore and bought online – that's if the whole process isn't online.

As Retail moves online, the high street is being transformed into more of a **place for social interaction** with coffee shops a key part of the shopping experience. The future is not clear but one third of retail jobs are predicted to go across the UK by 2025¹; and 22% of retail stores predicted to go by 2026².

Key factors to attract people into the high street:

- Attractive, clean and green – we don't have the architecture of Christchurch or Lymington but we have leafy, wide pavements.
- Public Space
- Accessible.

With animation created by:

- Seasonal changes
- Colour
- Lighting
- Illuminated art, beaches, ice rinks...

And buzzing markets with activities, something for the kids, food, music...

The relationship between the High Street and the Recreation Ground, essentially the 'village green', needs to be considered to bring social spaces together – and facilitating social gatherings, markets and events.

¹ British Retail Consortium 2016

² Centre for Retail Research.

Evening economy

In the October 2016 survey, 64% wished for an evening economy - more restaurants, family pubs, a cinema and a more vibrant younger feel - a town buzzing after 6pm.

More residential in the town centre would bring greater footfall for local restaurants.

An evening offering would attract people and more noise so this would need to be considered in planning policy.

Business Hub in the town centre

With the recently installed ultrafast broadband and mainline train connection to London, Winchester, Southampton and Bournemouth make New Milton a good place to do business.

A significant venture is coming to New Milton's town centre: the IncuHive Business & Innovation Centre in Summer 2018. The New Milton Advertiser & Lymington Times (A&T) office and print works site covers a significant area between Old Milton Road and Compton Road. Printing is now off-site which provides the potential for significant development on this site. This site has the potential to become a business hub for start-ups, home workers and small businesses with support services being available for local businesses of all sizes.

Digital economy

- **Important to support / retain existing businesses especially employers of local people.**
- **Important opportunity to develop the A&T site to create a hi-tech business centre that attracts knowledge-based businesses³ to the town** - and creates new work opportunities.
- Ultrafast broadband speeds should attract new businesses, especially digital-focused, if there are appropriate, affordable premises. *See appendix 1: Digital Tech – Market View*
- New incoming businesses would drive the local economy.
- The need was identified by NFDC for easy-in/easy-out office space – the broadband speeds available in New Milton would support this initiative.

Wider economic picture

Types of employment location in New Milton

- **Industrial Estates**
- **Caird Avenue – potential development area for HQ of three companies.**
- Small Office, home office.
- High Street: independent and chains

Key sectors

- Construction
- Care
- Tourism
- Retail
- Education

Large employers include

Appello, Chewton Glen, Double H, New Milton Sand & Ballast, Arnewood School...

Key benefits of New Milton

- Train station – 1:30 mainline to London; Southampton, Bournemouth

³ High value / low impact and where motorway access is less of an issue

- Forest/sea location
- Relatively affordable compared with Bournemouth / Christchurch / Lymington / New Forest
- Broadband speeds

Disadvantages

- Poor transport links to motorway – less of an issue for **knowledge-based businesses**

Need **affordable hotel** like Travelodge – for business, family visits, car-less stays in the New Forest...

Need easy access route to local employment including industrial estates eg cycling from train station to industrial estates

APPENDIX 1

Suna King February 2017

Digital Tech Economy – Market view

1. **The Digital Tech Economy is leading the growth of local economies across the country.**
Salaries are 36% higher than average.
2. **London exodus: Seeking cheaper rents and local pools of talent.**
Around **three quarters of technology startup owners in London are considering leaving the capital over the next five years, Sussex Innovation.**
In the Government's flagship area around Silicon Roundabout and Shoreditch, many firms now find it too expensive to rent or cannot find suitable space. (*A Knight Frank report claims average rents in Shoreditch were £65 sq ft in 2015 while average rents in London's square mile are £66.50.*)
3. **The digital industry acquired 12.5 million sq. ft. compared to 8 million sq. ft by the financial services sector.**
4. The next generations of technology will drive further the creation of new businesses.
5. **Bournemouth – 212% increase in technology business in one year.**
Growth driven by access to **graduate-level talent (Bournemouth Uni) (86%) and network of creative media companies developing technology expertise (68%) and access to business support (58%).**
Focus on Creative Digital IT – planning to develop FinTech (Financial) and HealthTech
6. **Challenge for Bournemouth: Low supply of affordable property (32%).**
Also Limited access to finance (42%) and limited talent supply (34%)
7. **High-speed connectivity remains a priority for digital tech businesses.**
28% of digital tech businesses reported digital infrastructure as a challenge.
8. **Southampton University – local talent – sciences**
Growing specialisms include: Digital media, Hardware & devices, Data management

Computer Science	#6 UK, #140 global
Geoscience	#15 UK, 48 global
E&EE	#3 UK, #89 global
Physics	#14 UK, #95 global

9. Bournemouth University – local talent – Creative Digital, App & software development, data management & analytics

10. Brockenhurst College – STEM centre

APPENDIX 2

Peter Parslow, February 2017

Bringing money into the community

Sustainability is about leaving as much for future generations as we receive; it has three aspects:

- Environmental – retaining and improving the natural capital
- Social – ensuring that people continue to function well together
- Financial – because we use money to enable goods and services

Because we don't grow and make everything we need locally, financial sustainability for a community must involve bringing money into that community. This paper is about that aspect of sustainable community life, based on a town, for simplicity.

There are several ways that people bring money into the community, for example:

- Salaries earned elsewhere and spent here, by outbound commuters and visitors
- Profits earned by local businesses, to the extent that they are spent or invested here
- Pensions and benefits, received from national government, and spent here

How much of that money then stays in the community depends on how it is spent. It is possible for a person on a low income to bring more money in to the community, by spending it well locally, than a person on a high income, if that person spends much of their money outside the area.

Businesses operating here use their income to cover a number of costs: rent, rates and other taxes, cost of materials, wages paid to staff, profit for re-investment and for the business owner. Some of that money goes straight out of the area again, but some of it remains, "going around a second time".

The proportion of each kind of cost varies widely by the kind of business. Professional services have most of their costs in wages; this includes education, care work, hair dressing and beauty, solicitors and accountants. If the staff are local, a high proportion of that business's income will stay local. Businesses which create things, adding value to the materials, also have a high wage proportion, whether that is crocheted gifts, meals, parts of luxury yachts, or 'intellectual goods' like poems, music, and Youtube videos.

Businesses which merely trade add little value, with more of the costs being the materials. Unless they are trading locally grown produce, that material costs goes out of the area. If the business is owned nationally, then the profit does too. The staff salaries may well stay local.

So the most effective businesses at keeping money circulating within the local economy are ones where a high proportion of the money goes on wages, and are locally owned, and use local materials.

Of course, business have other value to the community too. Supermarkets play their part in social and financial sustainability by keeping the cost of living down. Charity shops encourage the reuse of materials, with environmental benefits, as well as keeping the cost of living down.