



A member of
Alliance Boots

Thriving Communities

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How Boots works at the local level to build and sustain healthy town centres

Why they matter to Boots

It is increasingly understood that the long-term success of any company is determined as much by the health of the communities that ultimately sustain that company, as it is by the products and services the business has to offer. At Boots we have long understood the need for a healthy external environment as a pre-cursor for the long-term commercial success of our business. This understanding lies right at the heart of a company founded on similar shared values to the philanthropic Quaker industrialists over a century ago. Our founders recognised that healthy communities led to successful business.

A century and a half later, these values live on, underpinning much of what we as a business do today. Indeed, it has been Boots' historical recognition that effective management of the local environment surrounding our stores can deliver significant commercial value to the business that has shaped current policy making in this area. Just imagine the implications for our retail stores operating in poorly maintained and run-down localities. Customers would be deterred from entering the high street to shop in our stores. Employees would lose motivation - ultimately over time both the performance and profitability of the business would suffer. Influencing the external trading environment is therefore as much about driving profitability as it is about living our values as a responsible corporate citizen.

When you consider the retail sector represents around 17% of the UK economy, 11% of all UK employment, and has grown by more than twice the employment rate of any other sector over the last 20 years, the potential of retail as a powerful tool in town and city centre regeneration becomes clear. As part of Alliance Boots we are now a leading international health and beauty retailer and the most accessible pharmacy chain in the UK with some 2,600 stores, with 2,375 including a pharmacy, sited where people live, shop and work. Following the recent merger with Dolland and Aitchison,

Boots Opticians is now the second largest optical chain in the UK with around 685 optical practices. Therefore, for us this provides an enormous opportunity to play a leading role in the regeneration of UK towns and cities whilst also securing the long-term vitality of our business.

At a time when high street retailers are under ever-greater scrutiny in terms of their effect on local communities, at Boots we are committed to play our role as an active citizen in the towns across Britain where we operate.

How we do it - a partnership process based on mutual benefits...

Practical management of our external environment is a complex task - one coordinated and managed by Boots' Public Policy Manager, Andy Godfrey. At its heart lies a two-way partnership process made up of a range of actors, both public and private with whom Andy engages on a regular basis. Here at Boots we recognise we can achieve more to improve the external environment around our stores by working collectively with others, rather than independently or via a purely internal focus. Our partners often include central government, local authorities, property owners, police forces, leisure operators, transport and other retail businesses.

We also recognise that retail in town centres will not grow and develop without a clear focus and delivery framework. If communities desire thriving and developing town centres they need to nurture and encourage investment into them, and establish a management process for them. A major part of Andy's role is therefore directed at promoting the need for this focus, and in helping to create processes and structures that can deliver it.

Working with our stakeholders, we are currently focusing on 6 key areas of Public Policy we see as central to the growth and regeneration of UK towns, and city centres.

- **Coordinated and strategic government policy in support of town centres**
- **Town & City Centre Partnerships**
- **Business Improvement Districts (BIDs)**
- **Retail Crime Partnerships (RCIs)**
- **Transport and Access**

- **Local Taxation and Business Engagement**

Government support

Well-loved town centres have a unique identity, which marks the character of the community they serve. Communities want town centres, and government is keen to support their development and continued vitality and viability. During 2009 Boots led research - 21st Century High Streets: a new vision for our town centres – which considered the challenges faced by town and city centres, and identified a policy response to address these issues. This research has been launched with governments across the UK, and it has become a catalyst for policy review and reappraisal of high street viability. Boots have participated in extensive consultation and dialogue, championing the report's conclusions, whilst in Scotland Boots has accepted an invitation to become members of the Scottish Towns Policy Group tasked with creating a strategic response to the challenges faced by the country's traditional retail centres.

Town & City Centre Partnerships

The Boots commitment to managing its external environment stretches back some twenty years with the development of Town Centre Management (TCM) initiatives in the late 1980's. At the heart of these initiatives was the desire to forge relationships between the business community and the public sector through which traditional inner-city commercial centres could be regenerated and local retail activity revitalised. It was Boots' long-standing view that store performance could be significantly affected by the quality of the external trading environment around it. Boots has put much energy into securing its place at the forefront of the development of Town and City Centre Management initiatives across the UK.

Today our role and commitment to Town and City Centre Partnerships is no less prominent. Annually we currently contribute £400,000 to Town and City Centre partnerships and Business Improvement Districts. We have budgeted for the combined investment in these two areas to grow over the next five years. Boots continues to be a Corporate Champion for The Association of Town Centre Management (ATCM), whilst we

also contribute in a number of other more practical ways. This largely involves sharing knowledge and expertise built up over almost two decades in all aspects of TCM initiatives.

Examples of this more practical support include providing a training resource for Newly Appointed Town Managers. The programme was designed and is facilitated by us, and we have made it available to all ATCM members. This twice-yearly Induction Course provides around thirty newly appointed Town Centre Managers with a support programme looking at the key challenges, and solutions, to Town Management Partnerships. The course is offered free of charge although we view the programme not in terms of the cost but in terms of the long-term benefits to the company.

At the local level, further hands-on engagement and support is provided by our Public Policy Manager in the form of one-on-one meetings with Local Authorities and Partnerships throughout the UK. These meetings provide valuable hands-on assistance in helping to establish and improve the delivery of Town Centre Partnerships. Commenting on these areas of support, Andy Godfrey said, 'Although our support at times is channelled through working with national organisations, we still recognise the need to provide corporate support to TCMs and local store managers. Each year I meet with in excess of fifty local partnerships, and the Induction Course allows a further thirty newly appointed TCMs to visit Boots, and become aware of the support structure available to help them through their first few challenging months'.

Another way in which we provide support for the development of Town Centre partnerships is through the production of a series of best-practice briefs. These briefing papers, prepared by our in-house Corporate Communications, provide a wealth of practical information on a range of aspects relevant to the development of successful Town Centre Partnerships. They are available to both external groups and Store Managers.

The benefits of staying at the forefront of the Town Centre Management debate are significant. With the reinvigoration of town centres now at the forefront of the UK Government's political, economic and social agenda it is clear that the importance and development of town centre management

partnerships will increase. We have been, and continue to lobby for a greater focus on the mechanism to deliver Government policies at local level. Without an effective local partnership, potentially effective and useful policies and schemes will founder - in many ways this is one of the key areas of Boots influence over the past decade.

"For more than 15 years Boots have been a key supporter of Town Centre Management across the UK. Many local partnerships that are now achieving real success would not have got off the ground or have grown without the input in both time and funding from Boots, both at a store level and with support from Head Office. What is particularly helpful is that Boots' commitment is not an unquestioning one - they want partnerships that work and that add value, which is exactly what they should be doing. Boots have played a leading role in achieving this and are now doing the same with the introduction of Business Improvement Districts into the UK".

***Simon Quin, Chief Executive,
Association of Town Centre
Management (ATCM, 2009)***

Business Improvement Districts (BIDs)

Playing a leading role in the debate is exactly what we have been doing when it comes to UK Government proposals for the introduction of Business Improvement Districts (BIDS). Based on the American system where BIDS have been well established for some fifteen years, they allow a local business community to vote in favour of a small addition to their business rates to pay for services above those already provided. In essence they have been motivated by a need to strengthen Town and City Centre Partnerships, which have long been hampered by low levels of funding and business contributions.

At Boots we have been aware of the funding difficulties that have surrounded Town Centre Management partnerships and initiatives. For us the success of any Town Centre initiative lies with the sum of its partners. It is only when the structures and opportunities are

appropriate, and communicated correctly, that the right sort of partnerships, delivering the best outcomes to all members of the community, will be realised. That is why we are always prepared to consider and discuss alternative proposals and measures that seek to enhance the long-term sustainability of Town Centre Management initiatives.

In the case of BIDS, it is our belief that they can provide the opportunity needed for Town Centre Management schemes to achieve the long-term sustainability required. By moving away from a voluntary contribution system driven by local store managers, toward a compulsory tax driven by a majority membership vote, business-led local partnerships can achieve the levels of funding needed for the establishment of truly successful private sector led schemes.

Our approach has been to engage in and influence the BID debate so as to ensure BIDs only move forward where they are going to make a real difference. To assist this process we have led the sector in developing clear but challenging 'key criteria' we believe it essential to meet in order to ensure a successful BID programme. We do not promote BIDs, but recognise that in some circumstances they can contribute to establishing effective and sustainable local partnerships. So as to engage our local store managers, practical support and guidance has been developed, including feedback on the 'good practice' from the early successful BIDs.

Recently we have undertaken a number of steps to both support and spearhead Business Improvement Districts. To date this engagement has revolved around a two-tiered approach. Firstly we provide practical support for BID implementation. For example our Public Policy Manager, Andy Godfrey, chairs the British Retail Consortium BID policy advisory group, has sat on the Steering Group for the English and Scottish BID pilots, and is a member of the national Advisory board for British BIDs. This has seen us working closely alongside government departments, County Councils and Local Authorities as well as Property Owners and other leading retailers.

Our second tier of support has largely complemented this practical focus with an emphasis upon knowledge development, best practice and dissemination. This is because we see a central component of advancing the

BIDS agenda to be the sharing of practical expertise and experience with our partners. In this regard we have been working alongside the university of Ulster on a research project examining the evolution of BIDs in the U.K. and examining how they might progress in the future. We are also joint authors of the Annual BID survey, which analyses the delivery of the one hundred plus BIDs now operating in the UK and Ireland.

Once again, although we provide much of this support free of charge, in the long-term there is clear strategic benefit in positioning ourselves as leaders of this agenda. This reinforces our authority and ensures that we are seen as a first port of call for those seeking information.

Retail is a key driver in the life of most Town and City centres and, as such, retail champions provide significant weight and credibility to partnerships. Boots is often at the forefront of such partnerships, playing a critical role in developing partnerships, ensuring that Business Planning is robust and in monitoring delivery. In Liverpool, Boots have played a role, at both national and local levels, in helping to establish and develop Liverpool City Central Business Improvement District, centred around the retail core. Indeed the Boots Store Manager for Liverpool City Centre is the Chair of the City Central BID, and works on behalf of the BID team and its members to provide the critical retail input at board level. This input from Boots continues to be invaluable in ensuring the retail voice is heard and the needs of the businesses are met through the BID Company.

Rita Waters – Chief Executive - Liverpool City Central BID, (Liverpool BID Company 2009)

Retail Crime Partnerships

Robust and effective Town and City Centre Partnerships have, in many cases, also helped the evolution of Retail Crime Partnerships (RCIs). These partnerships, now established across some 200 towns and cities, are made up of local stakeholders in a bid to develop a coordinated response to retail crime. Shoplifting cost retailers alone in excess of £1 billion in 2005. No two RCIs are

the same as they are required to adapt and respond to local needs. However, they incorporate similar mechanisms to fight retail crime. These often include CCTV, radio links and initiatives to target known offenders. Although these organisations may operate outside a Town Centre Management scheme, they are again motivated by the desire that safe and secure high street environments not only benefit the community, but lead to greater profitability and success for retail businesses.

Boots The Chemists, together with Marks & Spencer and Churchill Square Shopping Centre, were responsible for establishing the Brighton & Hove city centre management initiative in 1998 and have been loyal and dedicated supporters ever since. It is no exaggeration to say that their support has far exceeded the merely financial.

Their expertise and broad knowledge of practically every town centre management initiative in the UK is a fabulous source of information and best practice and it has allowed the Brighton & Hove project to flourish. Our initiative includes one of the best business crime reduction partnerships in the country and it now operates at regional as well as local level. With Boots support and guidance we also recently established only the second Business Improvement District (BID) in the south east which will contribute security to the value of £350,000 to the core retail area of the city. This is a tremendous boost to our Retail Crime Partnership."

With their genuine engagement with the local business community Boots as a company has demonstrated an admirable regard for the health and vitality of the city. We need more retailers to follow their example.

Roger French OBE DL, Chair Brighton & Hove Business Forum (2009)

As with TCMs and BIDs we have found ourselves on the frontline of both practical and communicative support for Retail Crime Partnerships. Communicative support has come in the form of the identification and promotion of best practice. On a practical level, in 2006, our Public Policy Manager

worked closely with the Home Office to support the roll-out of one hundred new RCIs across England and Wales. Our track record of engagement in local retail crime initiatives led to Boots being invited to join the 2009 Retail Crime Commission, tasked with identifying solutions to the problems faced by retailers across the UK.

We have also been instrumental in seeking to ensure that the delivery of effective Retail Crime Partnerships forms an integral part of all BID Business Plans. Ultimately this has been enabled through our co-ordination of responses to prospective Business Improvement Districts.

Yet again, having positioned the business at the forefront of both practical and communicative developments within town centre management schemes has bought unique advantages. In this instance the company recognises the contribution RCIs make when targeting priority locations.

We will continue to lead and influence as and where we feel it necessary. For instance we are actively discussing with Government the support necessary to maintain effective crime partnerships. It is no good Government developing new policy initiatives without first establishing effective local bodies to deliver them?

Transport & Access

At Boots we recognise the need to manage access to our urban centres, and we also recognise that without positive measures to reduce congestion the relative attractiveness of town centres, as thriving and healthy communities will suffer. That is why we believe substantive engagement on all aspects of UK transport policy should be motivated by a need to strike a balance which can improve the health of the local community without threatening the ability of business to operate effectively.

Our business has invested resources in liaising with key transport policy makers across the UK. We have also been responding to Government policies and schemes, setting out what we believe to be the likely costs and benefits to the business community.

More practical action has involved representing the company in Central

Government and/or Local Authority consultation. We have worked hard to identify the transport measures that need to be in place to improve the attractiveness of town centres. For instance, we led – ‘Getting into town: a guide for improving town centre accessibility’ - research that reviewed the impact and effectiveness of town centre transport and parking policy. Similarly we have worked with a number of Local Authorities to ensure the successful implementation of Park and Ride and pedestrianisation schemes.

At other times Boots have led opposition to transport policies, which have the potential to negatively impact on the vitality of town and city centres. In Edinburgh the council's own research suggested Congestion Charging would impact on city centre retail sales by more than 4%. Retailers have viewed with equal concern the development of Workplace Parking Levy initiatives, believing they will penalise business and have no effect on motorist's behaviour.

Local Taxation and Business Engagement

Changes to local taxation and changes to the structure of local government funding can have a major impact on our business. They can significantly raise the costs of trading and critically affect the performance of the company. As a business leader it is therefore vital for Boots to engage in dialogue and consultation on proposed change. It is here that our track record of close engagement in local partnerships, both through TCMs and BIDs, has afforded us the opportunity to be viewed as a ‘trusted partner’ contributing to, and influencing the debate.

There is already a large investment by the public sector in our town centres. However the private sector has a responsibility to ensure this investment continues to be sufficiently focused, and directed at long-term improvements rather than short term superficial ‘easy wins’ that lead to limited long-term benefits.

It is with this in mind that throughout 2010 we have worked hard to both engage and influence the debate over local supplementary business rates. Whilst recognising the benefits of greater local engagement and empowerment the company remains firmly

opposed to additional taxes and business rates which it will have no opportunity to influence or benefit from.

Recognising the need for Government to explore new taxation models we believe it necessary to place any proposals in the context of other policy developments impacting on business. Boots has actively supported the development of BIDs, and believes that Government aspirations to develop greater empowerment for local communities and Local Authorities will deliver significant benefits. However, the company's support is a balanced one and where necessary we will vociferously oppose policies that will unreasonably impact on the business community and our trading performance.

Looking ahead

The last few years have been a busy period in Public Policy reform as Government has sought to build and sustain thriving communities. Boots believes there is a bright future for the country's high streets where their role as community hubs, and as a focal point for local communities is once again being recognised.

Building thriving and sustainable communities through partnership sits at the heart of Boots' long-term business strategy, much as it has done for over 20 years. We are motivated by the knowledge that what is good for the local community is also good for our business - healthy high-streets mean a healthy business. Positioning ourselves as leaders at the forefront of town and city partnerships drives both short-term as well as longer-term benefits.

Ultimately we remain committed to supporting the growth and development of effective local dialogue and management. Above all, when looking to the future we believe the focus should lie in the pursuit of the most effective frameworks to engage business in the support of policies targeted at regenerating and developing town centres and local communities.