



# Thriving Communities

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

### Why they matter to Boots UK

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 UK 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 UK 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

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international health and beauty retailer and the most accessible pharmacy chain in the UK with some 2,600 community pharmacies sited where people live, shop and work. 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 UK 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 UK's 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 UK our enlightened thinking tells us that we can achieve more to improve the external environment by working collectively with others, rather than independently or via a purely internal focus. Our partners often include 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 5 key areas of Public Policy we see as central to the growth and regeneration of UK towns, and city centres.

- **Town & City Centre Partnerships (TCMs)**
- **Business Improvement Districts (BIDs)**
- **Retail Crime Partnerships (RCIs)**
- **Transport and Access**
- **Local Taxation and Business Engagement**

### **Town & City Centre Partnerships**

The Boots UK 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 UK's long-standing view that store performance could be significantly affected by the quality of the external trading environment around it. Boots UK has put much energy into securing its place at the forefront in 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 £150,000 to Town and City Centre partnerships and a further £250,000 to Business Improvement Districts. We have budgeted for the combined investment in these two areas to grow over the next three years. Our Public Policy Manager sits on the Board of 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 of our deep engagement with all aspects of TCM initiatives.

Examples of this more practical support include the Programme for Newly Appointed Town Managers. The course 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 visit in excess of fifty local partnerships, and the Induction Course allows a further forty newly appointed TCMs to visit Boots UK, 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 Town Centre and Store Managers, and have also been requested, and made available to, a number of external bodies where they have been used on their websites.

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 excellent policies and schemes will founder - in many

ways this is one of the key areas of Boots UK's influence over the past decade.

### **Business Improvement Districts (BIDs)**

"For more than 15 years Boots UK 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 UK, both at a store level and with support from Head Office. What is particularly helpful is that Boots UK's commitment is not an unquestioning one - they want partnerships that work and that add value, which is exactly what they should be doing. Boots UK 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 Quinn, Chief Executive,  
Association of Town Centre  
Management (ATCM)***

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 UK we have been aware of the 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 may 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 could receive the levels of funding needed for the establishment of truly successful community 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 recognises that in certain circumstances they may 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 Welsh BID pilot, and is currently a member of the Scottish Steering Group. This has seen us working closely alongside the Office of the Deputy Prime Minister, Regional Development Agencies, Environmental Developmental Agencies, 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 Ulster University on a research project examining the evolution of BIDs in the U.K. and examining how they might progress in the future.

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 in 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 UK 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 UK 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 UK 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***

## 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 TCM 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.

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 preparation and publication of a brief identifying RCI best practice. On a practical level, in 2006, our Public Policy Manager worked closely with other retailers and the Home Office to support the roll out of one hundred new RCIs across England and Wales.

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 brought 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 regional 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

Boots UK, 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 UK's 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 UK 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**

## **Transport & Access**

At Boots UK 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.

During 2006 our business has invested resources in liaising with key transport policy makers across the UK. We have also been actively preparing comprehensive briefing papers reviewing proposed planned Government policies and schemes, setting out what we believe to be the likely costs and benefits to the business community. As with all our other public policy communications these set out a wealth of information and evaluation criteria, which we produce for the benefit of our managers and partners.

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 are currently working jointly with the RAC and BRC to produce a report on the need for quality car parking within a towns transport policy framework. Similarly we have worked with a number of Local Authorities to ensure the successful implementation of Park and Ride and pedestrianisation schemes.

In the case of the failed Edinburgh Congestion Charge proposals, the council's own research suggested an impact on retail sales in excess of 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 UK 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 a high level of influence on those debates. We certainly see this as one of the many benefits of adopting such a strategic approach toward managing our external environment at the local level.

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 2007 we have worked hard to both engage and influence the debate over local government funding, and how any future process might benefit from greater business engagement. Whilst recognising the benefits of greater local engagement and empowerment the company remains firmly opposed to a return to local determination of business rates. We have also produced several briefing papers setting out our view on Supplementary rates. For instance we have firmly laid out the company's opposition to a supplementary business rate to fund Crossrail in London. Our calculations suggest this would cost the company in excess of £5 million over 10 years for little direct business benefit.

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 UK 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 our trading performance. For instance, it is our view that localised business rates undermine business ability to plan and pay rates and make no improvements to local accountability. Ultimately the national non-domestic rate is not a perfect tax, but it has overwhelming advantages to a localised system.

## **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. Not least given that the reinvigoration of Town Centres has increasingly been placed at the forefront of the UK government agenda. Indeed, with development and investment in town centres finally outstripping that of out-of-town locations, so has come a unique opportunity for Boots UK to leverage its knowledge and expertise built up over two decades of close engagement with local communities and partners.

Building thriving and sustainable communities through partnership sits at the heart of Boots UK's 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 engage business in the support of policies targeted at regenerating town centres.