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NORTH HERTFORDSHIRE DISTRICT COUNCIL

CABINET PANEL ON COMMUNITY AND ENTERPRISE

MEETING HELD IN THE REMOTE MEETING ON MONDAY, 9TH JANUARY, 2023 AT 7.30 PM

MINUTES

Present: *Councillors: Keith Hoskins, Ian Albert, Simon Bloxham, Ralph Muncer and Mandi Tandi*

In Attendance:

Chloe Gray (Commercial Manager), Claire Morgan (Community Engagement Team Leader), Eleanor Hopcraft (Committee, Member & Scrutiny Officer) and James Lovegrove (Committee, Member and Scrutiny Manager)

Also Present:

At the commencement of the meeting approximately 4 members of the public, including registered speakers.

17 APOLOGIES FOR ABSENCE

Audio Recording- 2 minutes 18 seconds

Apologies for absence were received from Councillors Claire Strong and Elizabeth Dennis-Harburg.

Councillors Chris Lucas and Tom Plater were absent.

18 MINUTES - 17 OCTOBER 2022

Audio Recording- 2 minutes 57 seconds

Councillor Keith Hoskins proposed and Councillor Ralph Muncer seconded and it was:

RESOLVED: That the Minutes of the meeting held on the 17 October 2022 were approved as a true record of proceedings.

19 CHAIR'S ANNOUNCEMENTS

Audio Recording- 3 minutes 33 seconds.

- 1) The Chair advised that, in accordance with Council Policy, the meeting would be audio recorded as well as filmed. The recordings would be available to view on Mod.gov and via the NHDC Youtube channel.
- 2) The Chair reminded Members to make declarations of interests before an item and advised that a detailed reminder of this and speaking rights can be found on the agenda.
- 3) The Chair advised Member's and public participants that if they would like to speak during the meeting, that the 'raise hand' button was to be used. If that button was not available, raising your hand would be used to see who wishes to speak.

- 4) The Chair advised that Mr Punit Shah (Cook's Boutique, Letchworth) was unable to attend, and that Andrew Figgis would provide an update on his behalf.
- 5) The Chair agreed to change the order of the published agenda, with Item 7 'Business Sentiment in Hertfordshire' ahead of Item 6 'Christmas Consumer Demand'.

20 NOTIFICATION OF OTHER BUSINESS

Audio Recording- 4 minutes 33 seconds

There was no other business notified.

21 OVERVIEW OF HERTFORDSHIRE (AND NORTH HERTS) ECONOMY

Audio Recording- 4 minutes 39 seconds

The Chair invited Mr. Andrew Figgis, North Hertfordshire Economic Development Officer to provide a presentation.

Mr Figgis thanked the Chair and gave a presentation, with slides, and advised the following:

- UK growth had been downgraded by the IMF in 2022 NS 2023 in recently released figures.
- The UK is the only large economy to have not caught up to pre-Covid growth levels.
- Average Real Pay (ARP) had fallen and there was a big discrepancy between pay rises and increases in prices.
- The professional and scientific sector salaries had kept up the pace with increasing prices, and the retail sector was also doing better.
- The property sector and the UK overall was falling behind in the price indexes to date.
- Business confidence had improved since COVID but there was still a downward trend. This decrease could be due to lack of investment, political instability, and the energy crisis.
- There were more people employed (aged 16 years and older) in Hertfordshire now than in July 2021. Although this figure dipped at the end of June due to an increase in retirement numbers but was still at a high.
- North Hertfordshire had lost businesses in the district overall. Most of the businesses lost were microbusinesses.
- Energy, food, services and other goods were huge costs for businesses. Transport and storage costs, supply chain blockages and higher staffing costs also had a negative impact on business costs.
- The decrease in the value of the pound had impacted on prices, with the increase in value of the US dollar and the Ukraine War were also having an impact.
- There was upward pressure on raw material outputs, which had been caused by lower supply, higher demand, sustainability, higher inflation prices and trade wars.
- Some costs had decreased, such as crude oil and gas in the wholesale market, but this had not been reflected in customer prices.
- Petrol forecourt prices and margins had been increased by retailers, gas supplier charges for transmission, and energy supplier deposits for businesses.
- Other countries, such as France, also faced problems with energy bills.
- North Hertfordshire had become a good manufacturing base for businesses. There was a good selection of this type of business, but also in the professional and scientific sectors.
- Agriculture, forestry and fishing sectors were energy-consuming, which may need examination in the future.
- In 2019, North Hertfordshire had a Gross Value Added (GVA) total of £3,655m. This was an increase from 2001 when GVA was £2,809m. An increase in GVA for businesses in North Herts should be a future aim.

The Chair thanked Mr. Figgis for his presentation.

The Chair advised that questions would be taken following the presentation from Herts Growth Hub unless they were urgent.

22 CHRISTMAS CONSUMER DEMAND

Audio Recording- 50 minutes 6 seconds

The Chair invited Mr. Andrew Figgis, North Hertfordshire Economic Development Officer, to provide a presentation on Christmas Consumer Demand.

Mr. Figgis thanked the Chair and gave a presentation, with slides, and advised:

- Christmas 2022 saw UK spending fall due to Cost of Living. While there were more card transactions overall but spending was down.
- Non-food and fuel spending had decreased.
- In a recent survey regarding Cost-of-Living perceptions, the majority of participants believed the worst was yet to come. Only around 1 in 10 consulted believed that the worst had passed.
- More people were comfortable with COVID and believed the worst of the pandemic was over.
- Most people were still opting out of travelling to larger city centres and preferred to stay local.
- For holiday expectations, most people were planning on going away overnight within the UK instead of overnight abroad.
- Multiple barriers were stopping people from going on holiday, such as the Cost-of-Living crisis, personal finances, increased fuel costs and increased holiday costs.
- Internet use had risen and 30% of retail sales were made online.
- Postal strikes and delayed parcel deliveries on the lead up to Christmas had also made consumers purchase in store rather than online.

There were no questions for Mr. Figgis and the Chair thanked him for his presentation.

23 BUSINESS SENTIMENT IN HERTFORDSHIRE

Audio Recording- 18 minutes 25 seconds

The Chair invited Ms. Liza Armstrong from Herts Growth Hub to provide a presentation.

Ms. Armstrong thanked the Chair and gave a presentation, with slides, and advised the following:

- The increased cost of living had an impact on businesses.
- Businesses were delaying investment, and recruitment and retaining staff was a major challenge. Supply chain issues have also had an impact.
- The Herts Growth Hub is led on behalf of Herts Local Enterprise Partnership and is delivered by a consortium of partners.
- The Hub worked in partnership with support providers from the public and private sector.
- The Hub had provided support through the Cost-of-Living crisis. Examples include marketing support, recruitment support, leadership and development skills, finance and funding.
- Marketing had been identified as a priority for businesses, as this could increase customer confidence.
- Building financial resilience had also been identified as a target for businesses. Measures to do this involved controlling costs, assessing finances and offering support via the Support Hub.

- Herts Growth Hub have conducted a Cost-of-Living survey which is ongoing. The survey aimed to investigate how rising costs have impacted the businesses within the county.
- Businesses from sectors including administration, support, IT, professional and scientific had been involved so far.
- The Hub were keen to hear more from the retail sector for the survey.
- The majority of businesses said that the rise in the Cost of Living had a moderate impact on them.
- To decrease the impact, the Herts Growth Hub had suggested increasing goods and service prices, as well as freezing recruitment and not purchasing equipment.
- Challenges facing businesses over the next 12 months include increased energy costs, decreased consumer confidence and staff recruitment.
- The majority of businesses said they were very worried about the impact of Mental Wellbeing on their business.
- The Hub had recently run a 'Recruitment and Retention' event, with 17 businesses in attendance, and positive feedback on this session was received.
- Further events were planning throughout January to March 2023 to support businesses.
- Further, more in-depth, advice was provided by the Hub for businesses which required it.

N.B Councillor Ian Albert left the meeting at 20.00.

The following Members and Public Participants asked questions:

- Councillor Keith Hoskins
- Mr. Martin Berry

In response to questions, Ms. Armstrong advised:

- Eastern New Energy are part of the Peterborough Environmental Trust and have worked with the Herts Growth Hub previously to access business support.
- Eastern New Energy were an advice and support organization.
- Herts Growth Hub had previously run outreach centres for businesses and could do this again for those businesses with time constraints.
- The Hub was keen to expand their Hertfordshire business network.
- Herts Growth Hub worked with high street businesses.
- Some business case studies had been highlighted on the Herts Growth Hub website.

The Chair advised that Ms. Armstrong and Mr. Berry could continue their conversation out of the meeting regarding business support.

The Chair thanked Ms. Armstrong for her presentation.

24 PUBLIC PARTICIPATION

Audio Recording- 57 minutes 53 seconds

The Chair advised that there were 4 people in attendance (one substituted by Andrew Figgis) to give presentations this evening.

The Chair invited Hannah Vincenti, from Fabio's Gelato, Hitchin and Letchworth Garden City to provide a presentation.

Hannah Vincenti thanked the Chair and gave a presentation, supported by slides, and advised the following:

- Fabio's Gelato opened their first Hitchin branch in 2015 and Letchworth in 2022, with a production site in Weston.

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- They were an independent husband and wife team who specialized in artisan gelato.
- They had been supported by the Herts Growth Hub over the last year.
- Most business activities revolved around supply, wholesale and ice cream cake orders.
- In February 2022, a new branch in Hitchin opened using funding from loans, grants and the sales from the previous site. The reason for the move was outpricing from their previous landlord, and issues with storage.
- Good weather was good for business. With increased abroad holiday costs more people were staying at home and treating themselves to ice cream.
- Summer 2022 were the best for sales, however the increase in energy costs saw the business' electricity bill quadruple. They were able to access government help for some of the costs.
- In 2019, Fabio's electricity costs were £13,915.00. In 2023, they had risen to £102,850.00 per year.
- To try and decrease costs, the business turned off equipment where possible.
- The business raised concerns for 2023, including financial support for businesses with locked in energy contracts.
- Online banks were not allowing business overdrafts, which is also a concern.
- There was a concern that consumers will turn to cheaper product alternatives that are of a lower quality. There was lots of competition.
- Recruitment and staff retention is also a concern, with staff turnover being high.
- A rise in staffing costs and an increase in the national minimum wage means the owners were not currently paying themselves a wage.
- Hannah raised the issue of cost and duration of car parking in Hitchin town centre. She suggested free parking on quieter days to encourage shopping in town. They reported a lot of older consumers cannot get into town parking.

The Chair raised as a point of information that Biggin Lane car park was open to everyone on Tuesday and only closed on Saturdays.

Following a comment from Ms. Vincenti, the Chair agreed to look into the Biggin Lane Car Park signage. He also noted that there was a cheaper flat rate in Hitchin car parks after 3pm.

Ms. Vincenti commented that customers would rather go to out-of-town shopping facilities than town centres.

The Chair also advised that the Herts Growth Hub could advise with business loans for Fabio's Gelato and other businesses.

The Chair thanked Hannah for her presentation and invited Tom Hardy, Hitchin BID, to provide a presentation.

Mr. Hardy thanked the Chair for the opportunity and gave a presentation and advised the following:

- Retailers had performed better than expected over Christmas, although it had been a challenging year.
- In upcoming year, it is expected that there will be less vacant business units.
- Over the coming year, it was expected that there would be fewer vacant business units in Hitchin.
- 'Pay-On-Exit' car parks in Hitchin could encourage more shoppers into the town and to stay for longer.

The Chair thanked Tom Hardy for his presentation and invited Andrew Figgis, on behalf of Punit Shah to provide a presentation.

Mr. Figgis advised that Mr. Shah had provided an email update to be read, which advised:

- Mr. Shah ran Cook's Boutique in Letchworth, which was a shop specializing in kitchenware goods.
- The rising costs of living had meant customers had cut back on purchasing non-essential goods.
- Even customers with a disposable income had chosen not to spend due to rising electrical bills.
- Fewer customers would choose good quality products over cheaper, lower-quality alternatives.
- Customer habits were changing, with less in store retail purchases. Most customers were opting for online purchases.
- To combat this, stores should be trying to offer an attractive in-store experience to their customer.
- The shop had launched Cookery Skills online workshops, which had been good for cash flow.

The Chair thanked Andrew Figgis for the presentation on behalf of Mr Shah and invited Mr. Martin Berry, from Mick's Barbers, Baldock to provide a presentation.

Mr. Berry thanked the Chair for the opportunity, gave a presentation and advised the following:

- Before the COVID pandemic, most customers came for a haircut every 4-6 weeks. Post-COVID, the length between haircuts had risen to 10-12 weeks.
- Due to this, staff were making less money per week from their services as customers opted to wait longer for a haircut.
- Over Christmas 2022, the Football World Cup in Qatar affected business, as some Christmas parties were cancelled to accommodate the broadcasting schedule. This meant that fewer customers came for haircuts and other services during what was normally a busy time of the year.
- Customers were starting to prioritize their spending.
- Pedestrianisation of town centres, notably Hertford, Old Hatfield and Baldock, had an impact on business.
- In terms of energy costs for the business, they were low as most equipment was not powered or only needed to be turned on periodically.
- Growth and development of youth workers was a challenge faced by the business. Most young people were not attracted to long-term training plans.
- Hospitality and Retail sectors were also struggling with this, with mental wellbeing also playing a part in youth employment retention.
- Mr. Berry wanted the local councils to provide more support for businesses like his.
- He commented that the Herts Growth Hub online surveys did not factor in the aging population of the county.

The Chair thanked Mr. Berry for his presentation.

25 MEMBER'S DISCUSSION

Audio Recording- 86 minutes 33 seconds

The Chair remarked that the presentations from the public gave a useful insight into businesses in North Hertfordshire and would help point the council in the right direction for solutions.

Councillor Ralph Muncer also thanked the public participants for their presentations and remarked that it is important that the Council understood the challenges faced by businesses in North Hertfordshire. Councillor Muncer also commented that the council wanted thriving town centres, with a larger footfall.

The Chair led a discussion amongst Members and public participants over concerns regarding car parking, and solutions to the issues.

Councillor Mandi Tandi noted that there is a similar issue with car parking in Knebworth, especially in the High Street. The implementation of cycle and walking lanes had affected parking around that area. Councillor Tandi also thanked the public participants for the insight into their businesses.

Tom Hardy, Hitchin BID, noted that 'Pay on Exit' car parks could be a solution. Regarding free or cheaper parking, he noted that caution must be taken that the car parks aren't being used by non-customers of the town centre, such as commuters. He also noted that receipt-related incentives could be issued to shoppers who spent a certain amount in town.

Andrew Figgis, North Hertfordshire Economic Development Officer, noted that the council needed to try and get in touch with businesses like Mick's Barbers and the owner Martin Berry.

The Chair remarked that the presentation and discussion had been useful and informative. He noted that lots of points had been raised, and that he found the rise in energy costs faced by businesses staggering.

N.B. Councillors Simon Bloxham and Ralph Muncer left the meeting at 9.08pm, following which the meeting was no longer quorate but the discussions continued, and as part of this it was suggested that car parking charges be discussed at a future meeting of the Panel.

26 ACTIONS ARISING, WORK PROGRAMME & FUTURE DISCUSSION TOPICS

The meeting had become inquorate by this part of the meeting, however the Members and representatives present discussed potential future topics for the Panel, including car parking charges.

The meeting closed at 9.08 pm

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