

# PENZANCE CHAMBER OF COMMERCE



## NEWSLETTER



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### British Seaside Towns see Resurgence in 2011.

Mike Water, Chairman, was asked to comment on the BBC and Pirate Radio on 18 Aug 2011 about a recent report on seaside resorts which had revealed Penzance as number 7 in the 'Top Twenty' most popular UK seaside resorts. The analysis also revealed, based on 2009 to 2011 statistics, that Penzance was the third fastest growing seaside town. The report was compiled by CSMA Club (which has some 300,000 civil servants, active and retired as members) using statistics from Visit England and other national organizations.

The report stated that British seaside resorts are seeing a boom in visitors, who are expected to spend a collective £9 billion at the coast this summer, with high end tourism seeing a particular increase - upmarket boutiques, antique shops, art galleries and Michelin-starred restaurants are frequently setting up shop in seaside resorts.

Notable 'high-end' attractions in Cornish towns include Black Rock Restaurant in St Ives (awarded a Michelin 'Bib Gourmand' in 2011), Restaurant Nathan Outlaw in Rock (awarded 2 Michelin stars in 2011) and the Pop-up hotel, also in Rock (a luxury camping experience).

A summary of findings (mid year) were:

- Seaside resorts have seen a fifth (21%) more UK visitors staying overnight this year
- Brits are spending a quarter (23%) more cash at the coast this year compared to last year
- Six in 10 (57%) Brits have already been or are planning to take a trip to the seaside this year
- Brighton & Hove, Torbay and Blackpool are the most popular seaside towns (Penzance No 7).
- Whitstable, Eastbourne and Penzance are the top three fastest growing seaside resorts

After the decline in popularity in the 1990s[8], the British seaside has been reinventing itself. Gone are the days of a donkey ride on the beach and a round of crazy golf – as one in six British holidaymakers opt for fine dining (16%) and afternoon tea (32%) at the seaside, with many UK holidaymakers planning trips to artisan markets (19%), antique shops (14%) and art galleries (10%). According to research looking at the summer months, four in 10 (40%) Brits are planning a holiday by the UK coast and plan to spend £322 each on average at the seaside.

## Vacant Commercial Premises let in Penzance.

As if to underline the fact that Penzance is faring better than many towns the Cornishman (1 Sep edition) ran an article about 3 vacant premises being either re-let or being on the verge of being re-let. The Causeway Kitchen premises in Causewayhead have been re-let and will open as a café in the future. Also 29 Market Jew Street has been re-let and is expected to open as a hairdressers. Agents for the La Luna Rosa Restaurant premises (closed mid August) say they have received a lot of interest in the premises and at least one firm offer.

As the next item explains, the retail sector in the UK is going through an exceptionally hard time with on average 11.2% of retail units vacant.

**“Shops vacant as Customers Drift Away”** (from British Retail Consortium 22 Aug 2011). Click [here](#) for full item.  
[http://www.brc.org.uk/brc\\_news\\_detail.asp?id=2028&kCat=&kData=1](http://www.brc.org.uk/brc_news_detail.asp?id=2028&kCat=&kData=1)

Overall retail footfall between May and July was 1% lower than the same period a year earlier. Falling shopper numbers in the UK were driven by a 1.9% fall in people visiting out-of-town complexes. The number of people entering shopping centres rose by 0.6%.

Over the last 12 months high streets on average have seen the highest drop in footfall of 2.6%. The hardest hit locations were Wales (-9.2%), the West Midlands (-6.6%) and the East of England (-6.2%) which recorded the sharpest decreases in footfall. Greater London (+1.6%), the **South West (+0.4%)** and Scotland (+0.2%) were the only locations that saw shopper numbers rise.

The national town centre vacancy rate in the UK was 11.2% in May 2011 (high streets and shopping centres). Northern Ireland (17.1%), Wales (13.4%) and The North and Yorkshire (13.1%) recorded the highest vacancy rates.

Stephen Robertson, British Retail Consortium Director General, said: "In July, all types of shopping locations saw reduced footfall year-on-year and that was before the effect of this month's disturbances in England. Fewer people are shopping because households are facing high inflation, low wage growth and uncertainty about future job prospects.

Diane Wehrle, Research Director at Springboard, said: "Compared with the past three years, a drop in footfall of one per cent year-on-year is actually very modest and the decline has been steadily softening throughout 2011. There has also been a shift in activity between different types of shopping areas. Traditionally retail parks and malls outperformed the high street due to ease of access and free parking. However, these areas are now experiencing similar challenges to town centres.

Click link at the top of this item to read the comments on the statistics or to download "UK Footfall and Vacancies Monitor May-July 2011"

Editors Comment. Whilst the South West has performed better than most areas with a small increase in footfall, 'footfall' is not same as 'spending'. Several retailers in Penzance have commented that shoppers, and especially visitors, are more cautious about spending.

## Sainsbury's Store Application

The Sainsbury's application is due to be determined by the Strategic Planning Committee on 22 September 2011.

The Town Council is meeting on 7 September to decide its final position as a consultee on the matter. They have currently submitted a holding objection (15 Feb 2011) which can be viewed at the website below along with the plans and other submissions.

<http://planning.cornwall.gov.uk:8181/rpp/index.asp?caseref=PA10/08714>

If you want to comment you can write to Planning Office, Peter Bainbridge at [Peter.Bainbridge@cornwall.gov.uk](mailto:Peter.Bainbridge@cornwall.gov.uk) quoting Penzance Sainsbury's Application PA10/08714.

Alternatively, register at <http://planning.cornwall.gov.uk/online-applications/> .....and complete an online submission.

From experience, the online process compresses text into a single block with no line spaces or indentation. This is acceptable if you made a brief comment but if you have carefully crafted a piece of text then it is annoying and an emailed letter is better.

Mike Waters, Chairman, attended a meeting convened by Cornwall Council, along with Jean Barry representing Causewayhead Traders Association, to discuss what obligations Sainsburys could be asked to fulfil in recompense of adverse impacts of their proposal (the resulting legally binding agreement that can result is called a Form 106 agreement). Also present at the meeting was the Mayor, Town Clerk and some of the local Cornwall Councillors. The idea of a park-and-ride was did not receive much support and neither was the idea of a Town Centre manager – something the Town is visibility crying out of. Irrespective of what is eventually agreed in the way of community obligations (content of the F106) local business organizations are likely to continue to give their support to the Sainsbury's application as it is on balance a benefit to Penzance as a regional retail centre and it would be easy to harm the attractiveness and competitiveness of Penzance as a retail centre by objecting on a narrow interpretation of "Town Centre Vitality".

The Sainsbury's application has been discussed at Chamber meeting and within the Committee since it first arose. The Chamber supports the application because:

- Large format stores (like the proposed Sainsbury's), on out-of-town retail parks are an important and growing retail channel. They attract customers because of accessibility, long opening hours, range of goods, competitive prices, free parking.
- Whilst Penzance has two largish supermarkets (and a number of small ones) you have to travel to Pool, Truro or Falmouth for a supermarket with an extended non-food range.
- Hayle already has a flagship M&S store in its out-of-town retail park. It is highly likely to have a large Asda store and possibly other stores associated with the ING development within two years. Hayle is a natural communications cross-roads between The Lizard, Penwith and Central Cornwall. It will encroach upon Penzance as a retail destination – the extent will depend upon the response from Penzance.
- Unless Penzance has an attractive and competitive out-of-town offering it will shrink as a retail centre.
- Competition between large supermarkets is healthy for the consumer and limits supermarket's monopolistic tendencies.
- Penzance's retail image (quality aspect) would be improved by a Sainsbury's store.
- The issue for the majority of independent retailers in Penzance is not competition from out-

of-town retailers but the reducing footfall in Penzance. Certain chain stores are more affected by the Sainsbury's proposal but most not terminally so.

- We need to keep Penzance as the major retail destination for the 60,000 residents of Penwith. With Penzance Town Centre only just over 1 mile from Eastern Green, an attractive out-of-town offering on that site will encourage more shopping visits to Penzance (including the Town Centre) and certainly more visits than if Hayle dominates the out-of-town retail sector.
- All 'bricks and mortar' stores selling branded goods (especially hardware / electrical) are affected by online shopping which now accounts for 8% of retail spending. Chain stores in certain sectors in expensive town centre locations are especially vulnerable whereas large out-of-town stores are a little less so.
- The retail sector is an important employer in Penzance and the mix of 400 part time/fulltime jobs will help maintain and grow employment in the local area.
- Maintaining BIH as a going concern is an important consideration. It provides a critically important service to Islanders and makes a major contribution to the local economy. The sale of the site is essential for the Company to meet its obligations. It's borrowings are secured on the site.
- Would Penzance benefit more from the Heliport site being sold in multiple lots to other retailers and non-retail businesses. It is highly unlikely that it would benefit. Certainly the scope for 'community obligations' would be limited with smaller companies. What is not in doubt is that the site will be sold either by BIH or by its bankers.

You might think all this adds up to a compelling case for giving serious consideration to the Sainsbury's application and squeezing the best Form 106 (community obligations) deal possible out of them. Lets hope this is the pragmatic conclusion the Town Council comes to when deciding its position on 7 Sep 2011. We all wish Hayle success with long awaited harbour regeneration and retail projects but that does not means giving them our retail 'lunch'.

## Harbour Car Park Proposals

The fact that the Sainsbury's planning application is going forward for determination by the Strategic Planning Committee on (we believe) the 22 Sep 2011 means that the proposed Olympian Homes Ltd development on the Harbour Car Park has been taken off the 'front burner' or modified because, under the 'sequential test' (planning regulations) any application for a supermarket on the Harbour Car Park site has to be determined before applications for out-of-town locations (the Tesco extension and Sainsbury's proposed new store). A sigh of relief all around appears to be justified but issue of development on the Harbour Car Park is only postponed, there is no evidence that the idea has been abandoned.

Your Editor felt compelled to find out more about Olympian Homes so he went to Companies House and down loaded the Company's annual return and annual accounts (cost £1 each).

Olympian Homes has a share capital of £103 with £100 owned by the single director Mark Deryk William Slatter. The balance sheet recorded a shareholder value of - £300,000 (negative sum). Olympian Homes Ltd was recorded as being a going concern because of a director's loan of £621,000. The Olympian Homes website refers to its in-house construction company Larista Limited. Companies House records show the company is entirely owned by Mark Deryk William Slatter and has shareholders fund's of - £1,413,680 (negative figure). This company is supported by a director's loan of £1,439,337

One has to question the wisdom of entertaining development proposals for a large scale development on an iconic site like Penzance Harbour Car Park (which also has some significant civil engineering complexities) from a company of such modest financial substance. As Cornwall Council owns the site the risks if thing go wrong will end up with the Council and not some private landowner.

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