

Hampton Street

**PART
TWO**

THE PLAN

A united
approach to
business
development

Hampton Street Traders Association (HSTA), in preparation for a sustainable future

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1. OVERVIEW

This report presents a plan for a new and united approach to business development in Hampton Street. It is based on outcomes of an assessment of the strip shopping centre, including its characteristics, performance, competitive landscape and funding environment. All of which can be found in Part One: Context.

It is proposed that Bayside City Council commence the statutory process of introducing a combined special rate and charge scheme. This Scheme will provide funding security for the Hampton Street Traders Association (HTSA) for the next five years. Funds will be used to implement actions and activities that will assist in the marketing, management and business development of the street for the benefit of all business and property owners.

2. MECHANISM FOR ACHIEVING CHANGE

The recommended mechanism for facilitating a changed approach is the introduction of a combined special rates and charge scheme to apply from July 1 2016 to June 30 2021. Council would be ultimately responsible for the scheme; however, it would be administered by the HSTA.

Why a combined special rate and charge scheme?

It has been demonstrated that most businesses within Hampton Street do not make voluntary contributions to the HTSA but do participate in events and activities that are organised by HSTA. This arrangement continues to be inequitable with no practical way to improve the situation.

The business mix in Hampton Street is well suited to a united approach to business development.

The HSTA is a sound incorporated organisation that acts in accordance with its constitution. A combined special rate and charge scheme would provide certainty in terms of access to a practical level of funding over a five-year period. Five years is a sufficient period of time to make an impact and to enhance the value of the shopping centre as a business location. The funds would also provide for the engagement of a professional shopping centre coordinator. The coordinator would implement activities as per the action plan, on page 15 of this document.

Once a regular stream of income is established, the HSTA would be able to bid for relevant state and commonwealth government programs that require matching funding and/or a funding contribution.

Collaborative arrangements have proven to be amongst the most effective in “levelling the playing field” with retailers in “big box” centres receiving marketing and promotional support for a fee. These fees are usually built into lease or franchisee agreements.

Consequently, it is recommended that:

1. The HSTA embarks upon a pre-implementation communications program to promote and gain support for the recommendations presented in this report.
2. The HSTA secure significant support (65% of responses) prior to making a formal request to Council to commence the statutory process to introduce a combined special rate and charge scheme for Hampton Street.
3. The HSTA engage the services of a specialist consultant to assist in securing 65% support for the introduction of the combined special rate and charge scheme from the business community.
4. The HSTA embark upon a process to have a combined special rate and charge scheme put in place from July 1 2016 for a period of five years, raising approximately \$190,000 pa.
5. The combined special rate and charge is applied to all properties used for or capable of being used for commercial purposes within a defined area. Figure 3.1 (page 7) illustrates the defined area and its five component districts.
6. All properties included in the Scheme are levied with the rate expressed as cents per capital improved value (CIV) dollar and based on expected levels of benefit. Benefit levels to be determined by district. A minimum charge of \$175 per property and a maximum of \$2500 will apply. The proposed rates are:
 - Soho, Central and Hampton Hill: 0.0714 cents per CIV dollar, generating an average annual payment per property of around \$593 and a median payment of \$503 (\$11.37 and \$9.65 respectively per week)
 - Hampton Primary: 0.0709 cents per CIV dollar, generating an average payment of around \$541 per property and a median payment of \$440 (\$10.37 and \$8.44 respectively per week).

- Paris: 0.0667 cents per CIV dollar, generating an average payment of around \$520 per property and a median payment of \$410 (\$9.98 and \$7.87 respectively per week).

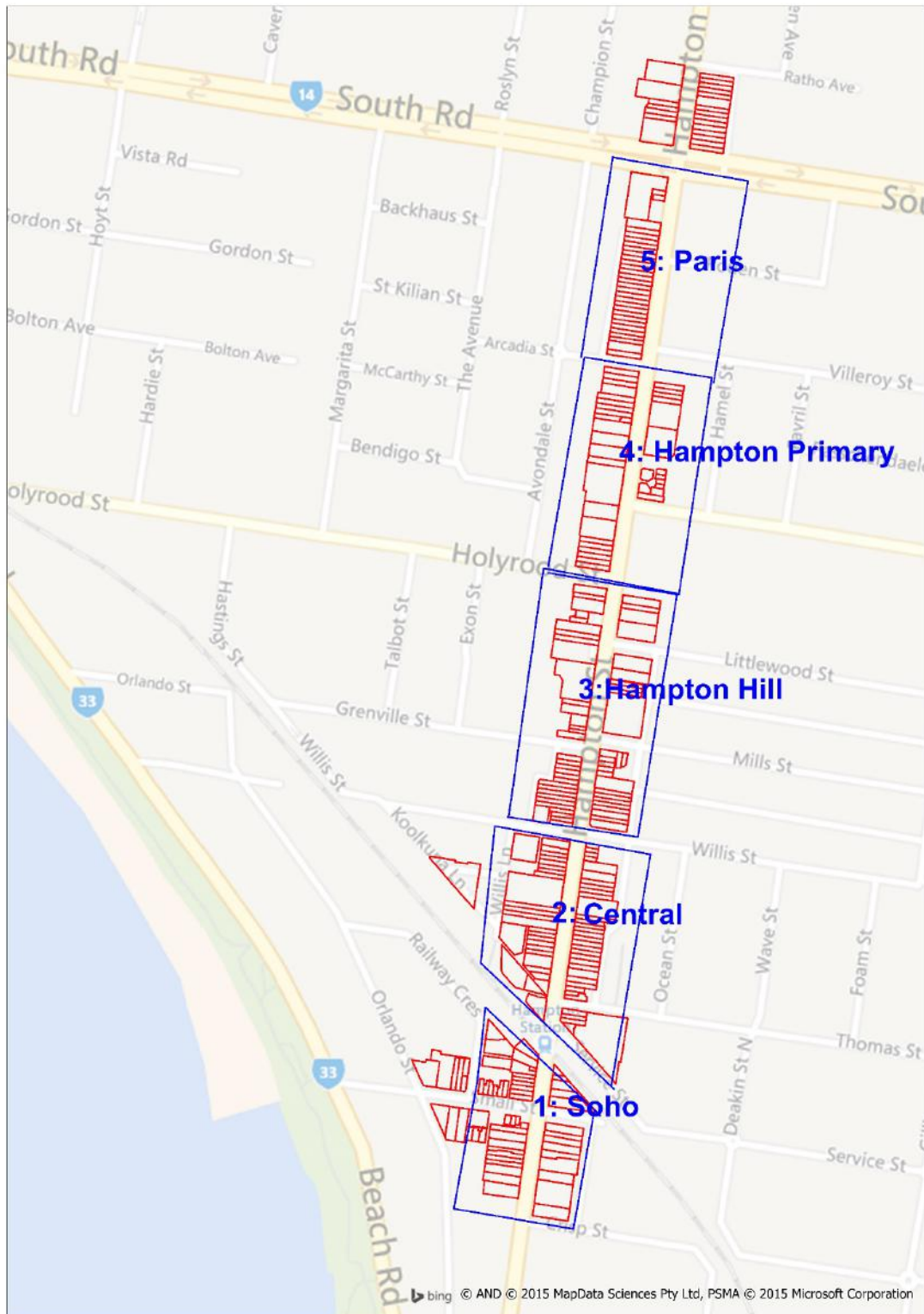
Note: At current CIVs, the average payment per property within the defined area would be around \$576 pa and the median payment, \$479 pa. Just over half the affected properties (54%) would pay less than \$500 pa and 17% would pay less than \$300 pa.

7. The combined special rate and charge will remain constant throughout the five-year period but will apply to revised CIV values.
8. The HSTA engages the services of a professional shopping centre coordinator on a contractual basis, initially for three days a week.

The role would be responsible for:

- promoting the combined special rate and charge scheme concept and its potential
 - communicating and engaging with businesses to encourage participation in the activities of the HSTA
 - preparing budgets and maintain financial records
 - preparing reports on progress and evaluation of outcomes
 - maintaining and monitoring the HSTA website and social media pages
 - organising projects, activities and events as directed by the committee
 - pursuing additional sources of funding to supplement funds derived from the combined special rate and charge .
9. The ongoing implementation of the combined special rates and charge scheme to be guided by an annual action plan. The action plan will be based on an evaluation of past activities, current needs of the businesses and any other relevant influences.
 10. Bayside City Council and the HSTA to negotiate contract arrangements in anticipation of the scheme being adopted.

FIGURE 3.1: HAMPTON STREET COMBINED SPECIAL RATE AND CHARGE SCHEME BOUNDARY



3. A VISION FOR HAMPTON STREET

A distinct identity that is valued by the local community.

A memorable destination offering visitors an abundance of choice and unique experiences.

An economy that is consistently healthy, resilient and dynamic.



4. THE ROLE OF THE HSTA

The HSTA, as an incorporated association, has the capacity to administer the funds collected by the council through the combined special rate and charge scheme. This can only be achieved if the HSTA continues to operate in accordance with their constitution and a council-approved five-year business plan.

4.1 REPORTING

As specified in the Local Government Act, the council is ultimately responsible for the collection and expenditure of funds collected through the combined special rate and charge scheme. As such, it would be necessary for the HSTA and Bayside City Council to enter into a legally binding contract or agreement for the five-year term.

The contract would need to specify the responsibilities and reporting requirements of the HSTA to Council, as well as to those businesses within the scheme boundary. The contract would also include the council's responsibilities in regards to overseeing the appropriate expenditure of funds.

4.2 MINIMISING RISK

One of the key factors in minimising risks associated with the implementation of a combined special rate and charge scheme is to ensure there is a clear management and governance framework.

The management and governance framework should include:

- reporting and feedback mechanisms to the committee, HSTA members and the Bayside City Council
- budget allocations and criteria for the selection of projects and activities
- a process for monitoring, reviewing and evaluating activities.

5. LONG-TERM OBJECTIVES

Funding derived from a combined special rate and charge scheme will be used by the HSTA to implement activities that will:

- raise the profile of Hampton Street and create a positive destination image
- increase footfall and expenditure (in-store and online) in Hampton Street through creating a vibrant and welcoming environment and responsive businesses.
- facilitate closer connections with customers and clients through targeted omni-channel marketing.
- improve the agility and innovation of local businesses in an increasingly digital world.
- enhance the reputation of Hampton Street as a desirable business location.



6. GOALS

Four goals form the framework to guide the actions of the HSTA. These goals set the scene for success, enabling the HSTA to build upon past achievements and implement new activities that respond to consumer trends.

It is important that the HSTA establishes partnerships with other local organisations and also engages with the business community to encourage stakeholder involvement in activities and ownership of the future of Hampton Street.

Goal One

Create an annual marketing and promotional action plan that will assist in retaining local customer loyalty and attract visitors from further afield.

What will be achieved:

- A structured calendar of events and activities that attract customers to Hampton Street all year and during peak activity periods.
- The development of customer databases and the ability to measure customer satisfaction.
- The take-up by businesses of e-commerce and m-commerce as a means of connecting with customers and clients, and of enabling transactions (in-store and online).
- An attractive and functional HSTA website and social media pages as mechanisms to promote Hampton Street and its attributes.
- Effective connectivity between customers and businesses through the website and social media.
- The development of an image of Hampton Street as a positive destination and business location.

Goal Two

Businesses in Hampton Street will adapt quickly to consumer spending trends and to other developments that affect commerce.

What will be achieved:

- An awareness of achieving affordable and positive outcomes from new technology and/or new approaches to doing businesses.
- Joint initiatives that reduce costs to individual operators.
- Debunking the new technology mystique.
- Recognition and reward for business success and outstanding achievements.

Goal Three

Create a united business community that is supportive of the HSTA and participates in activities.

What will be achieved:

- A raised awareness of the objectives of the HSTA and its endeavours to improve business performance in Hampton Street.
- A structured approach to evaluating actions and activities implemented, and receiving input from businesses about future priorities.
- A celebration of achievements.

Goal Four

Create a management structure that ensures good governance and the sustainability of the HSTA.

What will be achieved:

- The engagement of a part-time experienced shopping centre coordinator.
- The creation of an agreement with Bayside City Council and a reporting structure.
- The creation of a committee succession plan and active recruitment of appropriate committee members as required.
- The HTSA's ongoing commitment to fulfil obligations as an incorporated organisation.

7. BUDGET

The suggested allocation of budget is derived from the proposed combined special rate and charge scheme as well as contributions from Bayside City Council.

Activities	2016/17	2017/18	2018/19	2019/20	2020/21
Marketing and Promotions	50%	48%	47%	46%	46%
Business Development and Sponsorship	20%	22%	23%	24%	24%
Governance and Administration (including coordinator fees)	30%	30%	30%	30%	30%
Approximate Annual Budget	\$190,000	\$190,000	\$190,000	\$190,000	\$190,000

Marketing and promotion activities have the most recognised impact and, providing they are fairly distributed and well organised, are most likely to engage businesses. While they will continue to be the dominant focus throughout the duration of the scheme, their relative share will reduce. Savings will be realised in future years through having processes in place and by having built a supply of supporting materials. Similarly, it is expected that the total budget will be supplemented with additional funds through grants and sponsorships.

Business development and buy-in can be a more difficult concept to “sell”. A gradual expansion in business development initiatives is proposed, as achievements are realised and as businesses become more comfortable with the scheme.

Governance and administration includes the engagement of a part-time professional shopping centre coordinator.

7.1 PRIORITIES

A detailed action plan for 2016/17 is presented on page 15. Beyond Year 1, it is suggested projects/activities are selected using a structured approach that reflects current priorities, an evaluation of activities implemented and current circumstances.

The key considerations in selecting projects and activities are that they are affordable and manageable. They should be inclusive of the various business types in the street and balanced to benefit all properties that contribute to the combined special rate and charge scheme. Projects and activities should:

- reflect the aspirations of businesses
- be mindful of the vision for Hampton Street
- contribute to the long term objectives of the HSTA
- deliver benefits that are commensurate with contributions.

Projects and activities can be prioritised using an approach based on a Boston Grid analysis. Using this approach, each candidate project is scored from 1 to 10 (where 10 is the best outcome) based on:

- The extent to which it contributes to each long term objective.
- A range of factors that determine benefits. These might include:
 - percentage of budget required to implement
 - numbers of businesses that will benefit
 - numbers of districts that will benefit
 - range of business types that will benefit
 - support from the business community.

Of course, not all measures are equally important, hence a weighting factor is applied to each, as illustrated in Table 4.1 below. Project scores are then multiplied

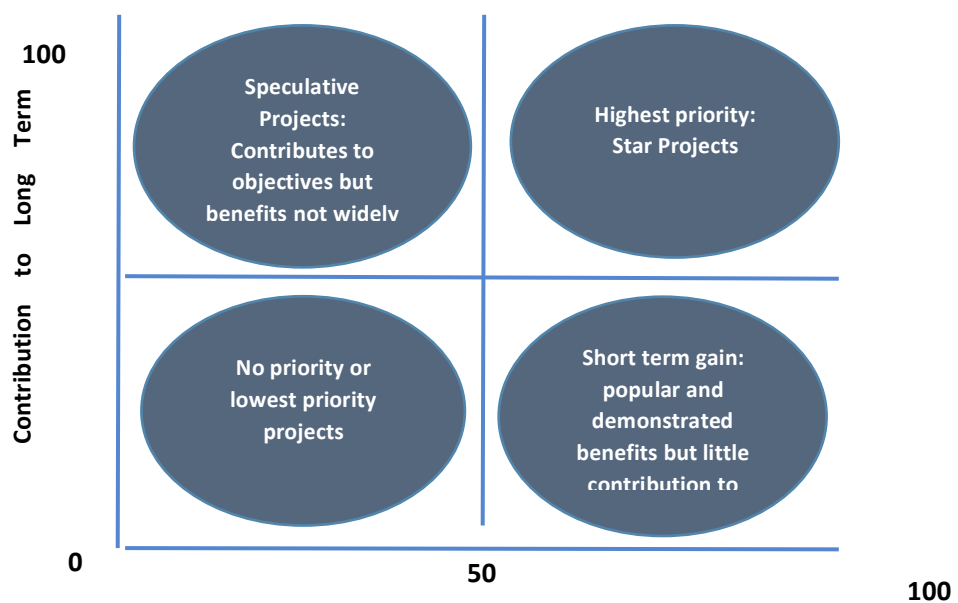
by weightings for each assessment element and plotted on a grid, as in Figure 4.1 below.

TABLE 4.1: PROJECT ASSESSMENT MEASURES AND WEIGHTINGS

Contribution to Long Term Objectives		Benefits Commensurate with Contributions	
Objective	Weighting	Elements of Benefit	Weighting
To raise the profile of Hampton Street and create a positive destination image.	2	Cost % of budget	2.5
To increase footfall and expenditure (in-store and online) in Hampton Street through creating a vibrant and welcoming environment and responsive businesses.	2.5	Number of businesses that will benefit	2.5
To facilitate closer connections with customers through targeted omni-channel marketing.	2.5	Number of districts that will benefit	2.0
To improve the agility and innovation of local businesses in an increasingly digital world.	2	Range of business types that will benefit	1.5
To enhance the reputation of Hampton Street as a desirable business location.	1	Support from business community	1.5
Total	10.0	Total	10.0

FIGURE 4.1: CANDIDATE PROJECT SCORING

Most projects would be selected from the top right quadrant.



8. MONITORING AND REVIEW

Part of the process of successfully implementing a special rate and/or charge scheme is monitoring and reviewing the effectiveness of initiatives. Assessing effectiveness means regularly re-assessed in light of achievements and changing circumstances.

Evaluation of the annual activities will determine priorities for the HSTA for future years.

8.1 ASSESSMENT TECHNIQUES AND COMMUNICATION

It is recommended that the HSTA:

- Set targets for each initiative and assesses outcomes against those targets.
- Regularly seeks feedback from the business community and customers.
- Implements an annual process of seeking suggestions from the business community on projects/activities to be undertaken.
- Provides quarterly updates on the HSTA website and on social media sites on what has been achieved and levels of participation.
- Promotes what is being planned on the HSTA website and on social media sites.
- Prepares a detailed annual review process that provides a report on activities and outcomes for the preceding year. This review would coincide with the HSTA annual general meeting.