QConsult Business Survey

Queen Mary College December 2019

Client Report

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1. Introduction

Under the Localism Act 2011, local residents are able to develop a Neighbourhood Plan for the area where they live, work or study. The Roman Road Bow Neighbourhood Forum is the body responsible for developing the neighbourhood plan for Bow and has been working towards this since 2016. One of its aims is to promote a thriving local economy. Neighbourhood planning is thus a way for local residents and businesses to have their own planning policies set out in a neighbourhood plan that reflects their priorities, enabling more control over their community.

A new Tower Hamlets Local Plan [1] will guide and manage overall development in the borough up until 2031. Tower Hamlets Council is also taking other planning initiatives, including a proposal to remove some existing permitted development rights. The aim is to ensure commercial buildings are required to secure planning permission before changing to become residential dwellings.

This project is a three-way partnership between QConsult, Roman Road Trust and Roman Road Bow Neighbourhood Forum to explore the potential for local businesses to use their premises more flexibly. This would be by exercising a permitted development right to seek permission to use business premises for dual rather than single use.

2. Aim

As a high street, the function of Roman Road is to act as a hub for shops and businesses and also cater to the public. To ensure the success of this objective, Roman Road has to promote thriving local businesses' ideas.

One strategy is allowing businesses to have multiple use-classes. Use-classes are categories assigned to businesses to determine what the business is and how it operates. Currently, businesses usually have one use-class such as 'A1: Retail' or 'A5: Hot Food Takeaways.'

Multiple use-class could provide greater flexibility for businesses so as to fully utilise their business space and open up opportunities for diversifying their offers. It also provides more choice to the public, in terms of goods and services.

3. Method

In order to investigate how beneficial, it may be for businesses to have multiple use-classes, businesses must first be aware of the concept of use-class, planning permissions, and of the idea of dual use-class.

The most efficient method to engage businesses with this topic is to survey them. This enables us to guide the questions and answer further queries, but also have the opportunity to ask for further detail which will vary depending on the business.

We then aimed to distinguish as many businesses into their use-classes, so that we could survey a variety of businesses from different use-classes, whilst also making sure those were evenly distributed across the entirety of Roman/Grove Road. This random sampling ensures that the results obtained from those surveyed represent the views of the overall business community. These factors combine to provide an impartial investigation.
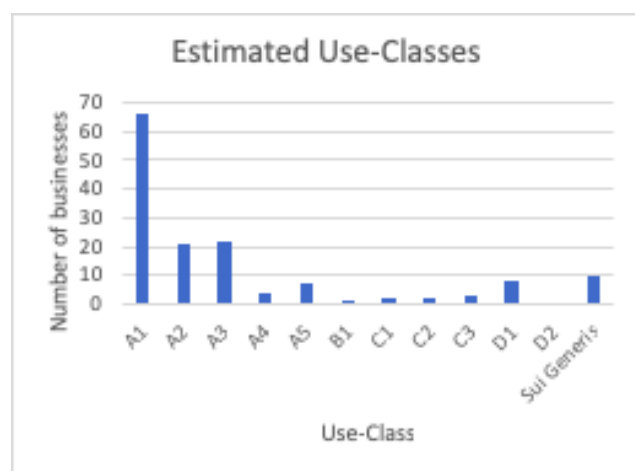
Consequently, we identified the use-class of approximately 200 businesses in Roman Road East (Bow) and Grove Road's current use-classes. Grove Road businesses occupy a small geographical territory; thus, a representative area of this road was sure to be covered.

This task was completed through researching what aspects allocate a business under a certain use-class and by looking at planning permissions received by Tower Hamlets Council [2].

One limitation we found was that Tower Hamlets Council does not make most up-to-date information accessible to the public regarding use-classes of business. This meant that the majority of the use-classes were estimations, meaning there may be businesses that may not have their ideal use-class and might be operating under a different one. To overcome this, we separated the confirmed use-classes and estimated use-classes. From this, we can deduce which type of businesses and use-classes the council tends to provide planning permissions to. This adds another layer to our research as it allows us to see which businesses may be more susceptible to dual use-classes and which businesses may not.

(Figure 1)

(Figure 2)

Use-Classes of Businesses in Roman Road and Grove Road

▪A1 ▪A2 ▪A3 ▪A4 ▪A5 ▪B1 ▪C1 ▪C2 ▪C3 ▪D1 ▪D2 ▪Sui Generis
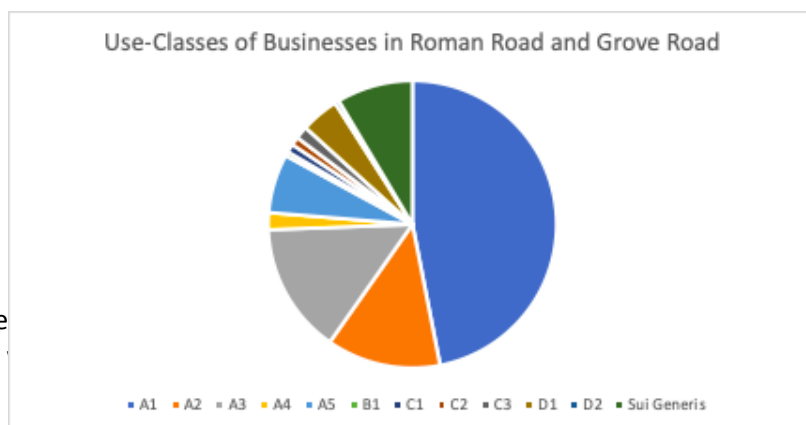
As seen in the [...] t of businesses on Roman Road, [...] s) following. (Figure 3)

This meant a majority of A1 businesses would be surveyed, so that the number of businesses we survey would be proportional to the number of businesses of the most common use-class present on Roman Road.

We proceeded to design a survey [3] comprising both open-ended and closed-ended questions. The variety of questions would allow the interviewer to build for more detailed questions, as well as to not make the interviewee overwhelmed with complex questions.

4. Findings

Our findings demonstrate that the majority of businesses surveyed across Roman/Grove Road would not consider applying for dual use-classes.

	Would having multiple use classes help businesses?	Would you consider applying for dual use class permission?
Yes	23	11
No	20	32
Maybe	7	7

(Figure 4)

Figure 4 demonstrates that 32 businesses said they would not consider applying for multiple use-classes. Whilst 11 businesses would consider dual use permission, the remaining 7 said maybe. However, only 23 of the people surveyed were running the business, the rest (27) were workers. From this, we deduced that business owners were more likely to have a different standpoint to their workers. On the other hand, it must also be considered that workers are likely to live locally; their thoughts on dual use-classes may better represent how the community perceive this idea.

Another trend is that 23 of the 50 businesses had been operating for 11 years or more, and 65% of these said they would not consider applying for dual use permissions. Here we can note that businesses operating for a longer period of time would not consider becoming a dual use-class as they are more established in their service and image. Therefore, businesses operating for a shorter period of time, may be more open to becoming a multiple use-class business.

Finally, 4 of the 6 Sui Generis businesses have been operating for 2-5 years and would not consider applying for dual use-classes. Sui Generis businesses are consequently less likely to consider applying for multiple use-classes, due to perhaps the varied nature of Sui Generis businesses.
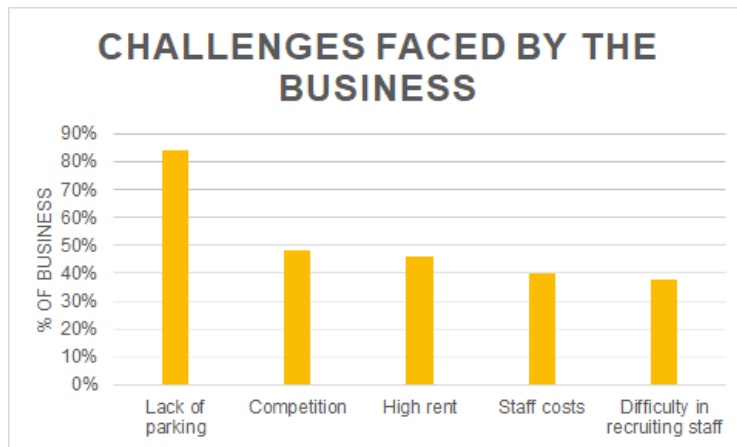
(Figure 5)

We identified the major challenges faced by local businesses in Roman Road. The biggest challenge faced is a lack of parking spaces in the neighbourhood. As shown in Figure 5, 84% of businesses are facing this problem. This prevents customers from other neighbourhoods shopping along Roman Road. Another significant problem is the competition from other similar businesses; approximately 50% of businesses had this problem. There are around 8 cafes and 6 hairdressers per km in Roman Road East, this leads to low footfalls and decreased revenues. Staff costs and recruiting/retaining staff is also a major problem in the neighbourhood. Approximately 40% identified these challenges, which result in higher and unstable expenses as well as lower profits.
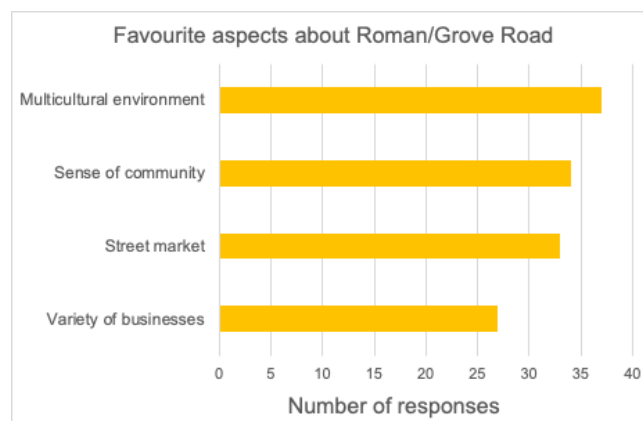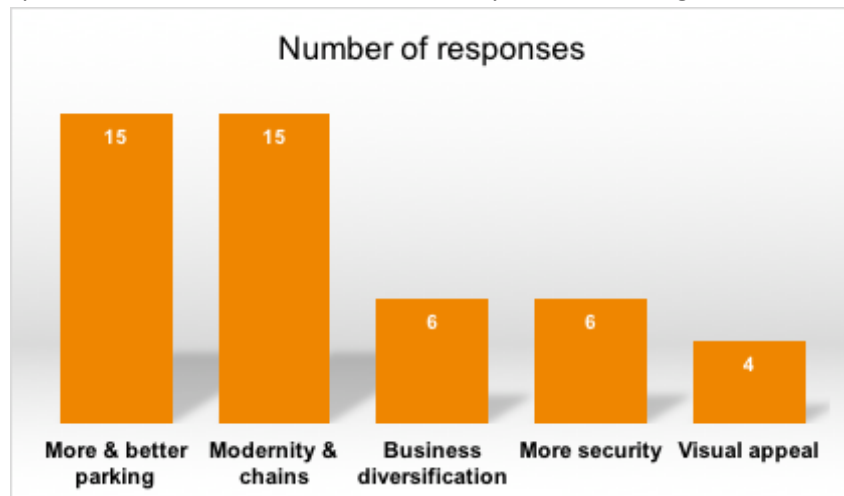

(Figure 6)

Through our survey questions, we also discovered the preferred aspects of Roman/Grove Road area to local businesses as well as some suggestions they gave to improve the area. These findings were extremely fundamental, as they give an insight into the positive notes viewed by the community, and what key focus points they would like to maintain or introduce. The most popular aspects of the area were the diversity in the population, the sense of community and the street market, as observed in

the previous chart. These responses led us to believe that the multiculturalism of Roman/Grove Road are something local business owners celebrate, which is something that could be included in a neighbourhood plan, so as to credit the local community for their strong, multicultural ties.

(Figure 7)

Moreover, the responses gathered from the question, 'What changes would you like to see to improve this area for shopping?' resulted in a majority favouring both the introduction of more parking spaces and more chain stores and restaurants. A modernisation of Roman/Grove Road is a widespread public interest. Stronger security is another popular demand, also being a way in which a local neighbourhood plan could support local businesses and residents, by appealing for certain counter crime policies to be implemented.

Our findings produced an outcome of local businesses familiar with RRBNF (30% of those surveyed) showing a liking towards their efforts, with most of these describing the Forum as 'proactive' and 'energetic'. This demonstrated that local businesses find RRBNF helpful and active in the area, which is something that should continue to be upheld. Unfortunately, 70% of the businesses surveyed were unaware of the Forum's presence.

5. Evaluation

50 surveys were completed. One limitation we experienced was that a large quantity of businesses we intended to visit were busy, rejected us or were temporarily/permanently closed despite Google search showing otherwise. As a result of this, the number of businesses we wanted to survey from a specific use-class was impacted. To overcome this, we offered these businesses the option to visit them at another time, or to email the survey to them. However, we also decided to visit other businesses from the same use-class so as to not drastically affect the proportion of use-classes. We realise this might have affected the geographical distribution of our surveys, and hence the proportionality of businesses surveyed.

Use-class	A1	A2	A3	A5	B1	C1	C2	D1	D2	Sui Generis	A1/A3
Frequency	18	6	7	3	1	1	5	1	6	1	1

(Figure 8)

Furthermore, we understand that our 28-question survey was extensive. A combination of certain questions of the same topic would have increased efficiency, as well as eliminating repetitive questions. However, we do believe the questions asked were appropriate to the public and allowed for a detailed insight of the community.

When first analysing the data of approximately 200 businesses, we produced two columns in the spreadsheet as mentioned previously, with 'Estimated use-class' and 'Confirmed use-class'. These findings only varied slightly, (as observed in Figures 1 and 2) leading to a more accurate identification of use-classes across the area.

6.   Recommendations and Conclusion

Recommendations

Recommendation 1: Use-class of Property/Licenses

One suggestion to amend this is offering more information to the local community. The idea of use-classes and multiple use-classes may be new to many businesses on the high street, including those that have operated for a longer period of time. An increase of awareness, as well as an explanation of the benefits of dual use-classes may encourage owners to reconsider. Therefore, raising awareness and giving more information through leaflets, mailing subscriptions, or local meetings should be continued.

Another suggestion is for a sample of businesses to have multiple use-classes at first. The probable success of these businesses could build confidence and intrigue amongst single use-class businesses. As observed in our findings, through a lack of knowledge, businesses are less likely to modify their particular service, and therefore remain comfortable with how they currently operate. This method may be effective therefore, as it allows local managers to physically observe these multiple use-class businesses and increase their familiarity with the prospect.

Recommendation 2: Organise gatherings of local business owners

Roman Road Trust could organise weekly gatherings of local business owners where they can discuss policy ideas for the neighbourhood as well as the challenges they are facing and try finding potential solutions for these problems. The survey results showed that 48% of businesses would not want to attend these meetings and only 34% of businesses would want to attend. Since we were able to interview only a few owners (8 out of 50) and a majority of survey responses were obtained from managers and workers, there is a high probability that business owners have different views. The best way to inform business owners could be through emails and leaflets whilst organising gatherings to observe whether these are received well.

Recommendation 3: Increase awareness of RRBNF to local businesses

We strongly believe in the relevance and support RRBNF can bring to local businesses, as supporting the growth of the local economy is one of the Forum's main objectives. By raising more awareness of

the RRBNF's work through meetings, newsletters and word-of-mouth promotion to name a few means, local business owners unaware of the Forum could be given the opportunity to convene, discuss ideas and challenges, and build relationships with other business owners in the area. The support base RRBNF gives to the community could offer business owners a professional, communal environment in which they can also perceive the backlash of having many businesses of the same use-class, thus introducing the prospect of multiple use-class to those seeking to offer alternative services to their competitors.

Recommendation 4: Promote professionalism

Our final recommendation is to promote a sense of professionalism. From our research we found that most businesses do not view Roman Road as a successful high street. They view it as a very close-knit community, which can be detrimental to its growth as a commercial area. As a result of this, we recommend implementing various schemes into the community.

One scheme is to introduce a personal shopper scheme, where members of the public can visit shops and provide feedback on the service and atmosphere of the store. Through this, we aim for businesses to use the feedback in order to enhance their professionalism.

Another scheme is to advise businesses to work together. Potential schemes that could be implemented are; joint advertising and joint sales. These are marketing campaigns, whereby two or more campaigns collaborate to promote their products through advertising and shared discounts. An advantage Roman Road has in comparison to other high streets, is that businesses are very familiar with one another. As a result, by informing businesses of the benefits of joint promotion, they could be influenced to work together. Through promoting their businesses collectively, a promotion of the Roman Road area as a whole would be achieved.

Conclusion

In the light of our findings, it can be observed that businesses are less likely to consider multiple use-classes. This can be due to several factors discussed previously. We therefore recommend that for the time being, other methods be taken into consideration in order for businesses to have the incentive to apply for dual/multiple use planning permissions. These methods expose businesses to the overall benefits of having multiple use-classes and allow them to visualise how a multiple use-class would affect the function of their business in Roman Road. We do believe that the proposition of multiple use-classes can be beneficial for businesses in the area of Roman/Grove Road. However, as most of the businesses are unaware of use-classes, it can be concluded that the best source of action would be to first familiarise businesses with use-classes.

Ultimately, we suggest that our findings are not included in the current neighbourhood plan because businesses show a lack of interest and knowledge in converting into multiple use-classes. However, if our recommendations are successful, it would be possible to include the research in future neighbourhood plans.

7. Bibliography

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