

HOUSE OF LORDS

Built Environment Committee

1st Report of Session 2024-25

High Streets: Life beyond retail?

Ordered to be printed 19 November 2024 and published 28 November 2024

Published by the Authority of the House of Lords

Built Environment Committee

The Built Environment Committee is appointed by the House of Lords in each session to consider matters relating to the built environment, including policies relating to housing, planning, transport and infrastructure.

Membership

The Members of the Built Environment Committee are:

Baroness Andrews Lord Bailey of Paddington Baroness Eaton Lord Faulkner of Worcester Lord Greenhalgh Viscount Hanworth Baroness Janke Lord Mair CBE Lord Mawson Lord Moylan (Chair) Baroness Miller of Chilthorne Domer Baroness Warwick of Undercliffe

Declaration of interests

See Appendix 1.

A full list of Members' interests can be found in the Register of Lords' Interests: https://www.parliament.uk/mps-lords-and-offices/standards-and-interests/register-of-lordsinterests

Publications

All publications of the Committee are available at: https://committees.parliament.uk/committee/518/built-environment-committee/publications/

Parliament Live

Live coverage of debates and public sessions of the Committee's meetings are available at: <u>http://www.parliamentlive.tv</u>

Further information

Further information about the House of Lords and its Committees, including guidance to witnesses, details of current inquiries and forthcoming meetings is available at: http://www.parliament.uk/business/lords

Committee staff

The staff who worked on this inquiry were Kate Wallis (Clerk), Andrea Ninomiya (Policy Analyst), Sarah Carrington (Committee Operations Officer) and Dervish Mertcan (Press and Media Officer).

Contact details

All correspondence should be addressed to the Built Environment Committee, Committee Office, House of Lords, London SW1A 0PW. Telephone 020 7219 3616. Email <u>builtenvironment@parliament.uk</u>

Social media

You can follow the Committee on X/Twitter: @HLBuiltEnviro

	Page
Summary	3
Summary of conclusions and recommendations	5
Chapter 1: Introduction	11
Defining the high street	11
The challenges and opportunities for high streets	11
The inquiry	13
	-
Chapter 2: Considerations for the modern high street	14
Resilience through variety; the past and future of retail	14
Box 1: Repurposing a former department store in Bournemouth	
Accessibility	16
Safety	19
Pride in place	20
Local historic character	20
Box 2: Sunderland historic centre restoration	21
Markets	21
Box 3: The Teenage Market	22
Public realm and green spaces	23
Chapter 3: Who is responsible for the high street?	26
Businesses and commercial enterprises	26
Business Improvement Districts	27
Landlords, property owners and developers	28
Box 4: Catherine Hill, Frome	30
Local communities	30
Local Authorities	32
Statutory duties	32
Discretionary functions	33
Agents for change	34
Box 5: Ashton-in-Makerfield	35
Government	35
Chapter 4: What policy levers can be pulled?	37
Planning	37
Use Class E	37
Permitted development rights	38
Local plans and out-of-town shopping	<u>39</u>
Taxation	42
Business rates	42
Ownership and tenancies	44
Who owns the high street?	44
High street rental auctions	45
Local authority services and direct intervention	46
Box 6: Barnsley	40 47
Public service delivery	47 49
-	
Chapter 5: Who pays?	52
A patchy and uncoordinated landscape of multiple funds	52
Box 7: Sunderland funding	54
Resource funding and expertise	55

nefficient and costly bidding system Appendix 1: List of Members and declarations of interest Appendix 2: List of witnesses Appendix 3: Call for evidence Appendix 4: Government funding programmes	58
	61
	63 67 69

SUMMARY

The focus of this inquiry is found at the heart of communities—their local high street. These are the places where for centuries we have shopped, socialised and worked. They provide vital social and economic infrastructure — a space for people to meet, trade, see and be seen. Over time they have evolved, responding to changes in trade, retail, technology and society. In recent years high streets have again faced challenging circumstances, so we have focused our inquiry on learning from success stories to understand what makes a thriving and resilient high street, who needs to be involved in making it a success and what role Government plays in both policy and funding. Evidence suggests that there could be an optimistic and flourishing future for high streets.

Towards the end of this inquiry, the 2024 general election took place and a new Government was formed. In October 2024, the Government delivered its budget. The conclusions and recommendations in our report are intended to support the new Government as it works with local communities to transform towns and small cities across the country.

There is no single model for a high street and revitilising a high street in crisis is not an easy task. A number of principles have emerged throughout this inquiry which we believe can help to ensure success. Firstly, a local leader (either from the local authority or a local community or business leader) empowered to take decisions should convene teams with a mix of skills from the public and private sector—high street renewal cannot be done by one person alone. Innovation and experimentation is also key to these projects; the high streets of the future will not be the same as those that have come before and will require imagination as well as enthusiasm. Finally, there must be a focus on quality. Creating well designed and well built spaces will ensure that projects stand the test of time and are loved by the people that use them.

The dominance of retail that we had become so accustomed to on our high streets has declined. Retail will always remain a vital component of the high street but local communities are increasingly seeking out restaurants and leisure activities as well as wanting to see more public services in their town centres. Those places that have adapted in response, for example by moving local libraries into vacant department stores or by opening high street diagnostic centres, are leading the way for the future of high streets across the country. Variety, both within the retail offering and beyond, will aid recovery now and is key to ensuring the long-term resilience of high streets into the future. Changes need to enhance rather than damage the unique, and often historic, character of each high street, and the specific local appeal. This is not always easy, but with the involvement of local business owners, landlords, residents and the local authority, it is achievable.

Throughout this inquiry we have heard about the vital role that engaged local communities play in transforming their local places. Those living in our towns and small cities will have specific wants and needs from their high streets and they are steeped in the local history of their community, which should be reflected in its public spaces. We were pleased to hear that a core tenet of the Long-Term Plan for Towns is ensuring that local leaders are actively involved in the management of projects to revitalise their high streets. It is important to recognise that whilst local authorities and the Government create the structures for high street renewal (for example through the planning process, funding and

taxation) they do not have to be the main drivers of this work. Indeed, a project which is done by or with the local community is perhaps more likely to be sustainable in the long term.

With regards to funding, the previous Government created the Long-Term Plan for Towns in response to long-standing criticisms about the myriad of different, and yet remarkably similar, programmes run by the then Department for Levelling-Up, Housing and Communities. Our inquiry echoed the findings of the National Audit Office and the Public Accounts Committee: the bidding processes were complicated and costly; the sheer number of funds introduced inefficiencies; and, the focus on capital funding sometimes did little to support underresourced local authorities. The new approach in the Long-Term Plan, which includes resource funding to ensure local authorities have the capacity to deliver sustainable new projects, has the potential to provide real change for communities. The Government has committed to reviewing its range of local growth programmes and to maintaining the Long-Term Plan for Towns. We recommend that the introduction of whole new programmes should be avoided where possible, but if they are introduced they should allow for a simplified and cost-effective bidding process. This would ensure that local authorities can devote their main efforts to regenerating their areas rather than applying for funds.

High streets continue to hold a special place in the nation's hearts and they will continue to do so in the years to come. Across the country we heard about local communities, businesses and authorities working together to respond to societal changes and build thriving town centres. With the right support and empowerment there is no reason why high streets cannot continue to be the centre of communities in the future.

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

Considerations for the modern high street

- 1. What people want from the high street, and the businesses found upon them, has constantly evolved and will continue to evolve. Therefore, towns and small cities should avoid conforming to a fixed vision and monolithic approach to the high street as this leads to a greater risk of systemic high street failures. Instead they should plan positively for a resilient future by ensuring diversity and adaptability. (Paragraph 18)
- 2. Safe and easy access is crucial to a thriving high street. Better public transport connectivity, particularly through improved bus networks, would help support local high streets. (Paragraph 26)
- 3. Car access and available parking are still necessary to sustain many high streets. This is especially true in areas with poor public transport links where pedestrianisation may harm the high street through lack of accessibility. Car parking should be designed so that it makes most efficient use of the space available and is accessible to people with disabilities. (Paragraph 27)
- 4. It is vital that members of the community of all ages and conditions feel safe and welcome on their local high street. Adequate street lighting, clear sightlines and "eyes on the street," as well as a mix of uses including residential and those open into the night, can help to contribute to safer-feeling spaces. (Paragraph 32)
- 5. Celebrating the local history of a place and conserving and repurposing historic buildings on the high street wherever possible celebrates the character and heritage of the high street, encourages a greater sense of pride in place and could draw more people in and potentially increase footfall. (Paragraph 38)
- 6. Local markets can boost footfall on high streets and contribute to the unique character of towns and small cities across the country. Markets not only contribute to local economies but can also act as catalysts for the high street brands of tomorrow. Local authorities and other market operators should continue to support market traders. (Paragraph 42)
- 7. More green space and an improved public realm alone cannot restore the prospects of a high street, but they should be a key consideration in any proposed regeneration programme. Ensuring that a high street has places for young people to socialise and is clean and well maintained may contribute to ensuring that the space is used by a greater proportion of the community, in turn improving footfall and the ability to sustain local businesses and public services in the area. (Paragraph 46)
- 8. Public toilets make it possible for everyone to use the local high street with confidence and comfort. They are particularly critical for elderly people and families with young children who might otherwise be reluctant to leave home. There are many ways to ensure decent public toilets are available and maintained on high streets and local authorities should be proactive in pursuing these options. This could include working with local businesses to provice more choice and availability. (Paragraph 48)

Who is responsible for the high street?

- 9. Thriving businesses are essential for a busy and successful local high street and business owners should be actively involved in the management of their high street. (Paragraph 53)
- 10. Ensuring that local businesses support and are involved in high street regeneration projects is vital. Local authorities should empower and enable local business leaders to drive forward high street regeneration projects. (Paragraph 54)
- 11. Business Improvement Districts are a useful tool for coordinating business involvement in their local areas. The Government should support Business Improvement Districts, but they should not be mandated. (Paragraph 59)
- 12. The decisions of landlords about whom they are willing to rent to, on what terms, and what level of profit they need or are willing to accept, will impact the mix of businesses operating on a high street. This approach risks increased vacancies or an overprovision of specific types of business. (Paragraph 65)
- 13. Reflecting on the potential of Community Improvement Districts, but acknowledging that the framework for these remains unclear, the Government should explore whether the Business Improvement District model should be expanded to require the participation of community representatives beyond local business owners. (Paragraph 69)
- 14. High streets are at their most vibrant when they are used by the whole community. Local authorities should ensure that their residents are involved in decision-making about their area through both formal consultations and partnership working. (Paragraph 72)
- 15. We are pleased to hear that Ministers are seeking to learn from previous successful programmes. The Government should ensure that accountability mechanisms involving members of the local community, such as Towns Boards, are part of any new programmes to support local regeneration. (Paragraph 73)
- 16. Local authorities have a central role to play in the revitalisation of high streets and town centres. This can range from intervening directly to curate mixed use spaces or acting to convene and support local residents and businesses. (Paragraph 81)
- 17. Local authorities are not the only organisations able to drive change on the high street, but they are central to the process. (Paragraph 85)
- 18. Anyone looking to reform high streets should involve the local authority at an early stage and develop a shared vision. Where a local authority is seeking to lead change it must work in partnership with landlords, business owners and the local community. (Paragraph 86)

What policy levers can be pulled?

- 19. Although there is a range of views, the introduction of Use Class E in the planning system has made high streets more adaptable to changing consumer trends. The Government should explore expanding the scope of Use Class E, or expanding another Use Class, to support the renewal of large shopping centres for other leisure purposes. (Paragraph 94)
- 20. The expansion of permitted development rights to convert Use Class E properties into homes risks damaging the vitality of high streets and reduces local control over

the design and development of high streets. The Government should undertake a review of the policy to examine the impact it is having on high streets relative to the number and quality of new homes delivered. (Paragraph 98)

- 21. Where it is necessary to ensure the vitality of the area, local authorities should make use of Article 4 directions to remove permitted development rights for ground floor retail units in high streets and major retail centres designated within their local plan. Such directions can be used as a targeted tool to allow for the concentration of retail on high streets. (Paragraph 99)
- 22. High streets do not function in isolation and the introduction of new out-oftown retail and leisure centres can have a significant negative impact on the vitality of a local high street. (Paragraph 106)
- 23. When approving new developments and considering how to regenerate their high streets, local authorities should ensure that they are complementary to and optimise the unique offering that high streets can bring to a community. New retail centres must be considered in the wider strategic context of what else is available and accessible in the local area. (Paragraph 107)
- 24. The Government should maintain its town-centre-first retail policy within the National Planning Policy Framework. Local planning authorities should clearly set out in their Local Plan in what circumstances out-oftown developments would be permitted, and they should robustly apply the sequential test set out in the National Planning Policy Framework. (Paragraph 108)
- 25. We welcome the Government's commitment to reconsidering the business rates system. The conclusions of this work should be announced by the end of 2025. As part of the review, the Government should consider and simplify the range of business rates relief schemes available to ensure that they are effectively supporting successful high streets. (Paragraph 115)
- 26. The Government should seek to legislate to allow markets operated by local authorities outside London access to the same level of business rates relief available to those markets operated by local authorities within London. (Paragraph 116)
- 27. The Government should provide funding to local authorities to maintain an ownership and occupier database for commercial properties within areas designated a high street or major retail centre in their local plan. (Paragraph 119)
- 28. The Government should support local authorities to make use of the new High Street Rental Auction powers and should confirm if it will follow the pilot approach set out by the previous Government. If it is not taking this approach, the Government should explain why this is the case, how it will support local authorities instead, and what steps will be taken to review the impact of these new powers. (Paragraph 123)
- 29. Owning property on the high street can give local authorities greater influence over the make-up of a town centre and provides opportunities to deliver wider social and economic aims for their local area. (Paragraph 129)
- 30. Local authorities that already own assets on their local high street should ensure that they are being utilised to deliver the range of services and businesses wanted by local communities. This could include exploring innovative styles of lease, operating with reduced profit margins, or delivering public services on the high street. (Paragraph 130)

8 HIGH STREETS: LIFE BEYOND RETAIL

- 31. Whilst commercial property acquisition can present exciting opportunities for local authorities, there are risks if insufficient expertise is accessed or held within the authority. The Government should ensure that local authorities seeking to acquire new commercial properties in their local area have accessed the appropriate expertise and are able to effectively manage a commercial development portfolio. (Paragraph 131)
- 32. Local authorities should have community asset transfer policies to ensure transfers of ownership to a community group are possible where it is in the best interests of the local community. (Paragraph 133)
- 33. People wish to have a mix of provisions on the high street. The provision of public services, including health services, is increasingly seen by local authorities, the NHS and communities as having a role on the high street. (Paragraph 140)
- 34. As well as boosting NHS capacity and meeting the needs of local communities, health centres could act as new 'anchor' sites for high streets and bring in more people to the local high street. (Paragraph 141)
- 35. The Government should set out whether they intend to encourage moving more NHS health services to the high street, including the new mental health crisis centres announced in the Autumn 2024 Budget, and, if so, how they will do so. (Paragraph 142)
- 36. In reviewing business cases for the building, or opening, of new government services (such as health care centres, libraries and sport centres) the Government should ensure that wider public benefits are included in its assessment, including those supporting the ambitions held within other Government departments. (Paragraph 143)
- 37. New public services including libraries, diagnostic centres and local government buildings should be located on the high street in the first instance, with the same sequential test applied to retail being applied to these services. The Government should amend the National Planning Policy Framework to reflect this. (Paragraph 144)

Who pays?

- 38. The range of different Government programmes which provide funding to local authorities, with similar but slightly different purposes, is confusing and indicates a historic lack of policy clarity. (Paragraph 154)
- 39. The previous Government's 'funding simplification doctrine' is a sensible approach and should be expanded to all local authorities in receipt of more than one funding stream seeking to revive high streets and town centres. This should be introduced for the next financial year and be a core tenet of any local growth funding reform. (Paragraph 155)
- 40. Whilst it is too early to assess the outcomes of the Government's Long-Term Plan for Towns, the inclusion of resource funding is an improvement to the previous funding programmes. We are supportive of the Government's plans to continue the Long-Term Plan for Towns and thus provide stability to local authorities. Any amendments to the programme should ensure that resource funding remains a core feature of the programme. (Paragraph 161)
- 41. We note the Minister's optimism that empowering local authorities will make them a desirable place to work and therefore address the capacity and

skills gaps within such organisations. However, this is a long-term, indirect and unguaranteed solution to an immediate issue. Local authorities do not currently have adequate resources and skills to support high streets. Not addressing this proactively and at pace risks undermining the viability of the Government's plans. (Paragraph 162)

- 42. Each local authority should have an active town centre manager to support the development of their high streets and town centres. Town centre managers across the country should share experiences and best practice to benefit from cohort-based learning. (Paragraph 163)
- 43. The Government should invest in training and educating town centre managers, or other appropriate local authority staff, to ensure that every local authority has the required skills and expertise to provide tailored support to its own high streets. This could be commissioned from the private sector or coordinated through existing structures. (Paragraph 164)
- 44. The bidding system for awarding funding to local authorities for regeneration projects has historically been inefficient and costly for local authorities applying for funding. (Paragraph 171)
- 45. We appreciate that the allocative approach taken in the Long-Term Plan for Towns and the UK Shared Prosperity Fund has helped to overcome the costs and burden of bidding; however, bidding processes can serve to ensure that areas in receipt of funding are actively engaged in local projects and able to deliver value for money to the taxpayer. (Paragraph 172)
- 46. We consider there is still an appropriate role for bidding processes in allocating funding to local authorities, where it is not overly onerous and serves a clear purpose. (Paragraph 173)
- 47. Any future programmes created as part of the local growth funding reforms should have a highly simplified bidding process. The Government should clearly identify the maximum appropriate time and cost of bidding required from local authorities and design the processes accordingly. The Government could consider implementing a two-stage bidding process with a cursory first stage to ensure that only those projects most likely to be chosen within a programme have to undertake the full assessment process. (Paragraph 174)
- 48. Parish and town councils that can demonstrate appropriate maturity in their financial management should be eligible to bid for Government funding directly. (Paragraph 175)

High Streets: Life beyond retail?

CHAPTER 1: INTRODUCTION

- 1. In this inquiry we explored the nature of high streets in towns and small cities in England. We sought to understand how they have changed over time and what needs to be in place to ensure resilient, lively high streets into the future.
- 2. High streets are the heart of local communities and are simultaneously a generator of the local economy and a reflection of the state that it is in. Throughout this inquiry we have considered the challenges faced by high streets across England, given the devolved nature of policies related to high streets elsewhere in the United Kingdom. Reflecting on these, we have looked to understand the role of the Government and local authorities in supporting high streets to achieve success.

Defining the high street

3. During this inquiry we have heard a variety of definitions for a high street. Whilst the Ordnance Survey defines a high street as "a minimum of 15 retail units within 150 metres of each other"¹ witnesses argued that high streets serve a wider range of functions and that there may be a shift in focus from retail as high streets continue to evolve. In addition, the Institute of Place Management indicated that rather than a single high street, it prefers to refer to a town centre as the main concentration of attractions in a neighbourhood, town or city.² Reflecting this, we have adopted a broad definition of the high street, focusing on a street or network of streets with a mix of uses reflecting the needs of a local community.

The challenges and opportunities for high streets

- 4. High streets across the country have been impacted by pressures including the growing popularity of online shopping, the impact of the COVID-19 pandemic, the cost-of-living crisis and competition from out-of-town shopping centres, and changing behaviours and preferences from their customers. The past decade has seen the closure of large retail chains and between March 2020 and March 2022 there was a net loss of 9,300 retail outlets on high streets in Britain, with department stores, pharmacies, clothing stores, pubs and banks all seeing closures.³
- 5. Subsequently, many of these properties have become vacant, leading to drops in footfall and posing challenges for landlords, current and prospective businesses and local authorities. The previous Government stated that "the economic and physical decline caused by high street vacancy entrenches economic underperformance and undermines pride in place".⁴ This is

¹ Ordnance Survey, 'The geography of Britain's high streets' (3 January 2023): <u>https://www.ordnancesurvey.co.uk/insights/the-geography-of-britains-high-streets</u> [accessed 9 September 2024]

² Written evidence from the Institute of Place Management (<u>HS0020</u>)

^{3 &#}x27;Postcode checker: how has your High Street changed since 2020?', BBC News (6 December 2022): https://www.bbc.co.uk/news/uk-63799670 [accessed 9 September 2024] and written evidence from Civic Voice (HSC0024) and Pharmacists' Defence Association (HSC0013).

⁴ Department for Levelling Up, Housing and Communities and Jacob Young, Press Release: *New levelling up powers to fill empty shops across England* on 14 May 2024: <u>https://www.gov.uk/government/news/new-levelling-up-powers-to-fill-empty-shops-across-england</u> [accessed 9 September 2024]

12 HIGH STREETS: LIFE BEYOND RETAIL

particularly concerning in deprived areas where amenities and services may be getting worse.⁵ In this inquiry we have considered the economic context of high streets but have not conducted an in-depth economic analysis.

- 6. Whilst some high streets have been able to evolve successfully to meet changing demands, those in towns and small cities have often found this more difficult, lacking the attractions and population of major cities but also the niche offerings of small towns and villages. Their experience has been especially difficult owing to the fact that the department stores and retail chains which closed in recent years often had relatively larger footprints in the centres of towns compared with major cities.⁶ Meanwhile, major cities have been able to retain larger retailers because of the continuing flow of people coming into cities, such as commuters and students.⁷ At the opposite end of the spectrum, smaller towns and villages including suburbs have benefitted to a certain extent from the increase in people working from home.⁸ As a result, our inquiry has focused on the opportunities available to towns and small cities across the country.
- 7. Responding to these challenges can present new opportunities for communities; it is clear that change is necessary but what this looks like and how it can be achieved is not easy to answer.9 Frome Town Council commented that: "Town Centres are in transition, perhaps even a paradigm shift. Whatever the future holds however, the recent past won't return." Above all, in considering this transition we heard that reflecting the wants and needs of the local community was vital, and in order to achieve success a "lot of work needs to be done in these communities to understand exactly what would work in each given circumstance."¹⁰ Overwhelmingly, we heard that people are seeking out more services and leisure opportunities on their high streets and that: "If we want high streets, shopping centres and town centres to survive they have to be more than just retail spaces."¹¹ Sir John Timpson, Chairman of the Timpson Group, told the committee that there "are frankly too many retail premises ... Those retail premises need to be changed into premises for something else which will liven up the whole town or city".¹²
- 8. Alongside the endeavours of individual towns and small cities, the Government has been investing in projects to support levelling-up and

⁵ Written evidence from Dr Eman Zied Abozied *et al* (<u>HSC0031</u>), citing Company Chemists' Association, *The Impact of Pharmacy Closures on Health Inequalities* (2022): <u>https://thecca.org.uk/wpcontent/uploads/2022/10/The-impact-of-pharmacy-closures-on-health-inequalities.pdf</u> [accessed 9 September 2024]

⁶ Written evidence from Policy Exchange (<u>HSC0054</u>)

⁷ David Rudlin et al, *High Street: How Our Town Centres Can Bounce Back from the Retail Crisis* (London: RIBA Publishing, 2023) p 174

⁸ Ibid.

⁹ David Rudlin et al, *High Street: How Our Town Centres Can Bounce Back from the Retail Crisis* (London: RIBA Publishing, 2023)

^{10 &}lt;u>Q 11</u> (Professor John Tomaney)

¹¹ Q 78 (Andrew Tighe)

¹² Q 18 (Sir John Timpson)

high street regeneration across the country.¹³ The outcome of the previous Government's investment has been called into question by witnesses to our inquiry and the National Audit Office and the Public Accounts Committee.¹⁴ We heard that the number of programmes (those we have heard about during this inquiry are listed in Appendix 4) has led to confusion and the complicated bidding process has placed a significant time and cost burden on local authorities. Finally, the focus on capital spending has done little to overcome the resource and expertise gaps within local authorities. The previous Government recognised these concerns and launched the Long-Term Plan for Towns, which the new Government has committed to continuing. The Autumn Budget in October 2024 announced a review of the variety of local grown programmes administered by the Ministry for Housing, Communities and Local Government, and we hope that this report will support this process.

The inquiry

- 9. We launched our inquiry by issuing a Call for Evidence on 23 February 2024.¹⁵ In addition to taking oral and written evidence, we held a private seminar with academics from Manchester Metropolitan University, Newcastle University and University College London. We also undertook an engagement event with students from Lancaster and Shrewsbury, and we visited Staines-upon-Thames. We are grateful to all who took part in our inquiry.
- 10. We heard that whilst every high street faces unique challenges requiring different solutions, there are recurring themes that offer clear considerations when seeking to create a thriving and vibrant high street, even if the outcomes of those considerations may be different from place to place. We discuss these themes in Chapter 2. We consider who the key actors are on local high streets and what their roles are in making, or breaking, places (Chapter 3) and then we consider the policy levers available to local and national Government and the impact these can have on high streets (Chapter 4). Finally, we review the range of funding programmes available to local governments seeking to regenerate their local high streets and we make recommendations about how the Government should take these forward (Chapter 5).

¹³ Department for Levelling Up, Housing and Communities, Levelling Up Fund: first round successful bidders (27 October 2021): https://www.gov.uk/government/publications/levelling-up-fund-first-round-successful-bidders, Levelling Up Fund Round 2: successful bidders (18 January 2023): https://www.gov.uk/government/publications/levelling-up-fund-round-2-successful-bidders; Levelling Up Fund Round 3: explanatory and methodology note on the decision-making process, Technical Annex 5: List of Successful Projects' (20 November 2023): https://www.gov.uk/guidance/levelling-up-fund-round-3-explanatory-and-methodology-note-on-the-decision-making-process#technical-annex-5-list-of-successful-projects [all accessed 9 September 2024]

¹⁴ Q.98 (Councillor Vikki Slade), Q.140 (David Rudlin), Q.194 (Mark Dransfield), Q.75 (Josh Westerling); National Audit Office, Levelling up funding to local government (17 November 2023): https://www.nao.org.uk/wp-content/uploads/2023/11/levelling-up-funding-to-local-government.pdf [accessed 9 September 2024]; Commiteee of Public Accounts, Levelling up funding to local government (Twenty-First report, Session 2023–24, HC 424).

¹⁵ House of Lords Built Environment Committee, Press Release: Built Environment Committee launches new inquiry into high streets on 23 February 2024: https://committees.parliament.uk/work/8245/ high-streets-in-towns-and-small-cities/news/200031/built-environment-committee-launches-newinquiry-into-high-streets/

14 HIGH STREETS: LIFE BEYOND RETAIL

CHAPTER 2: CONSIDERATIONS FOR THE MODERN HIGH STREET

- 11. As we took oral and written evidence expressing various degrees of concerns about the economic and social role of high streets, we heard that "there is no magic formula for a thriving high street"¹⁶ and each high street faces different challenges. The Shopkeepers' Campaign stated that there is "no 'cookie-cutter' design for what should be included in a high street as its specific composition will be determined by local demand which will differ from place to place."¹⁷ Professor John Tomaney, Professor of Urban and Regional Planning at the Bartlett School of Planning, University College London, told us that "the nature of decline and success is quite variable" across different high streets around the country.¹⁸
- 12. Nonetheless, during our inquiry several key themes were regularly cited as factors to be considered when trying to regenerate a high street. Whilst every place may have different, equally valid, answers to these questions, finding the answers is a key component of any project to revive high streets. Later chapters will reflect on who should be considering these matters and, once priorities are identified for a place, how initiatives and interventions should be delivered.

Resilience through variety; the past and future of retail

- 13. The high street, historically, is a place of business—a market place for the community—and it will continue to evolve as businesses respond to changing preferences. Sir John told us: "The long term is always determined by people's habits and supply and demand. We should not be trying to sustain a high street exactly as it is now, because that is not what people will want in 15 or 30 years' time".¹⁹ This can be seen, for example, in the recent, rapid growth of hospitality and service-based venues on the high street. Helle Lis Søholt, CEO of Gehl Architects, commented that this has been a response to a desire from the public for more experience-based services.²⁰ Frome Town Council also acknowledged this, suggesting that "there will probably be a continuing proliferation of nail bars, beauty salons, tattoo parlours and perhaps more face-to-face medical and health centres."²¹
- 14. Greater variety on high streets allows them to remain lively and active places even when a sector shrinks, or a business closes. This in turn makes filling a vacant retail unit more appealing to a new business owner who may otherwise be put off by growing numbers of empty units. We heard that the previous dominance of retail on high streets, especially those occupying large multi-floored premises, created systemic risks to their survival which were ultimately realised as online shopping became more dominant.²² The British Chambers of Commerce suggested that 40 per cent of shops will need to be repurposed in the next five years and that those places that had incorporated

20 <u>Q 108</u> (Helle Lis Søholt)

¹⁶ Written evidence from the Shopkeepers' Campaign (<u>HSC0023</u>)

¹⁷ Ibid.

¹⁸ Q3 (Professor John Tomaney)

¹⁹ Q 19 (Sir John Timpson)

²¹ Frome Town Council, *Council meeting 6 December 2023: Agenda item 4*: <u>https://www.frometowncouncil.</u> gov.uk/wp-content/uploads/2023/12/Agenda-item-4-For-information-and-discussion-Update-onwork-to-reinvigorate-the-town-centre.pdf [accessed 9 September 2024]

²² Written evidence from the Charity Retail Association (<u>HSC0050</u>); Policy Exchange (<u>HSC0054</u>) and supplementary written evidence from Power to Change (<u>HSC0035</u>; <u>HSC0052</u>)

a range of mixed unit development, more easily allowing for new types of businesses, had fared better in recent years.²³ Large floorplate stores such as former department stores are particularly difficult to find replacement tenants for or to repurpose, and therefore finding viable uses for these spaces is necessary to prevent them having a long-term detrimental impact on high streets.²⁴ There are inspiring examples for achieving this, such as Bobby's in Bournemouth where this has been tackled by sub-dividing into smaller units, further detailed in Box 1.

- 15. Witnesses emphasised the need for designing in resilience in the face of these changing preferences, which are only the latest in a centuries-long evolution of high streets: "to be more resilient, high streets need to shift from a monofunctional focus on retail provision towards multifunctionality".²⁵ Dr Fei Chen and Sandy Britton told us that "the adaptability and robustness of high streets are crucial for ensuring long-term sustainability".²⁶ Other witnesses told us that ensuring variety on the high street would help them to continue to be the "nerve centre"²⁷ of communities, being an economic hub for shops and markets and providing a physical space in which people can socialise. Primark told the committee that according to its research, "when it comes to their local area, people like to have a mix of shops, cafes, restaurants, entertainment, health care facilities, financial services, cultural venues and easily accessible green spaces".²⁸
- 16. We were told that flexibility in spaces should also include the street design and layout.²⁹ Morecambe Town Council noted that "buildings, pavements and walkways may need to be adapted in the future", including the need for space available for markets.³⁰ Markets and other events have been delivered in town centres for centuries and we heard that they can help the high street "outmanoeuvre the internet".³¹ Graham Wilson OBE, Deputy Chief Executive and Legal Policy Adviser at the National Association of British Market Authorities, noted that markets themselves were facing challenges adapting to changing preferences, but that many were responding by delivering more community services.³²

²³ Written evidence from the British Chambers of Commerce (<u>HSC0002</u>)

²⁴ Written evidence from the British Property Federation (<u>HSC0037</u>)

²⁵ Written evidence from the Institute of Place Management (<u>HSC0020</u>) and Dr Fei Chen and Sandy Britton (<u>HSC0008</u>)

²⁶ Written evidence from Dr Fei Chen and Sandy Britton (HSC0008)

²⁷ Written evidence from the Ministerial Advisory Group for Architecture & Built Environment, Department for Communities, Northern Ireland (<u>HS0012</u>)

²⁸ Written evidence from Primark (HSC0047)

²⁹ Written evidence from Morecambe Town Council (HSC0048)

³⁰ Ibid.

³¹ Written evidence from Policy Exchange (<u>HSC0054</u>)

³² Supplementary written evidence from Graham Wilson (<u>HSC0005</u>)

Box 1: Repurposing a former department store in Bournemouth

Bobby's in Bournemouth has sought to become more adaptable, and therefore resilient, by subdividing its building into smaller units that can respond more quickly to changing consumer desires. Originally an old department store established in the 1880s, it was bought by and rebranded as Debenhams. After Debenhams closed down in 2020, the property was bought by Verve Properties and reinvented as a mixed-use space with galleries, restaurants and pop-up shops and events areas. These flexible spaces have allowed a mix of tenants, including smaller start-ups and community groups, to fill and repurpose the building, rather than remaining vacant whilst waiting for larger, permanent tenants.³³

Source: Bobby and Co, 'Our story': <u>https://www.bobbysbournemouth.com/our-story-1-w.asp</u> [accessed 9 September 2024]

- 17. Notwithstanding the change in consumer preferences on the high street towards leisure activities and services and away from the retail dominance of earlier decades, we continued to hear that a presence for retail on the high street will remain important. Wakefield Civic Society argued that retail on the high street is "conveniently located for many consumers and should not be eliminated or allowed to disappear. The retention of a sizeable retail centre is also desirable to promote competition, innovation and diversity of choice."³⁴ Others reflected that people's preferences within retail are changing rather than moving away from retail altogether, with a growth in the number of smaller independent retailers in some industries such as bookshops and record stores. This was reflected in our engagement event with young people.³⁵
- 18. What people want from the high street, and the businesses found upon them, has constantly evolved and will continue to evolve. Therefore, towns and small cities should avoid conforming to a fixed vision and monolithic approach to the high street as this leads to a greater risk of systemic high street failures. Instead they should plan positively for a resilient future by ensuring diversity and adaptability.

Accessibility

19. High streets have historically been the most connected streets in a town or city, as highways with the greatest footfall or the site of the local market. The Royal Institute of Chartered Surveyors (RICS) defines accessibility as a "combination of the (perceived) time and cost of getting to a particular place, compared with an alternative destination". It argued that "high street accessibility is critical to town centre performance" and for capturing a greater share of consumer spending relative to out-of-town shopping centres and competitor towns and cities.³⁶ The make-up of transport options and accessibility arrangements will be specific to the location and the attractions available.

³³ Bobby and Co, 'Our story': <u>https://www.bobbysbournemouth.com/our-story-1-w.asp</u> [accessed 9 September 2024]

³⁴ Written evidence from Wakefield Civic Society (HSC0004)

³⁵ Written evidence from the Dan Thompson Studio (<u>HSC0010</u>); Bridget Shaffrey (<u>HSC0056</u>); BIRA (<u>HSC0041</u>); High streets in towns and small cities: Engagement note (20 May 2024): <u>https:// committees.parliament.uk/publications/44828/documents/222719/default/</u>

³⁶ Written evidence from RICS (<u>HSC0033</u>)

- 20. Witnesses generally agreed that better and cheaper public transport would allow more people to access high streets and that this could also contribute to local authorities' environmental ambitions.³⁷ Beyond its use by customers, UKHospitality indicated that public transport is also needed for staff to get to venues on high streets.³⁸ Witnesses particularly raised the need for better bus transport. The Local Government Association argued that "being able to protect and grow bus services and usage can bring significant benefits to our high streets" and cited research by the Urban Transport Group indicating that "more shoppers access the high street by bus than by car".³⁹ Professor Tomaney suggested that "a crucial component in thinking about the future of the high street must be a better, cheaper and more reliable bus system in places where you do not have railways, trams and so on, outside the big cities".⁴⁰
- 21. In some towns and cities, there are good examples of pedestrianisation and cycling helping to increase footfall on high streets. Councillor Susan Brown, Vice Chair of the District Councils Network and Leader of the Oxford City Council, told the committee:

"Over many years, we have been gradually reducing the amount of car parking in our city centre and increasing the amount of cycle parking. Footfall has continued to go up in our city centre; spend has gone up, as the number of car journeys has gone down. We have evidence that you can do those two things."⁴¹

- 22. However, many towns and small cities and their surrounding areas do not have good public transport infrastructure and the community is dependent on car travel. Colliers, a commercial real estate investment manager and property agency, stated: "It is no use local authorities telling people to rely on public transport if the public transport is not good enough."⁴² Where adequate public transport connectivity is lacking, a witness suggested cars should be accommodated in an efficient way that ensures that all visitors to the high street are able to enjoy its amenities.⁴³
- 23. Retailers have emphasised the importance of available and affordable parking to ensure that customers visit local high streets, and the provision of free parking has been cited as a clear benefit for out-of-town retail parks.⁴⁴ Michael Weedon, Policy Champion for Place-Based Economy, Local Government and Retail at the Federation of Small Businesses, told us that retail park shops are considered to be convenient and are "popular with shoppers who like not to pay for parking".⁴⁵ We heard that a key part of the success of the shopping area in the town centre of Staines-upon-Thames was the (paid for) car park, which was located within a 500m walk of the in-town shopping

³⁷ Written evidence from Brighton & Hove City Council, the Brighton & Hove Economic Partnership and the Brilliant Brighton BID (<u>HSC0029</u>); Bill Grimsey (<u>HSC0036</u>); Dr Eman Zied Abozied et al (<u>HSC0031</u>); BIRA (<u>HSC0041</u>); UKHospitality (<u>HSC0040</u>); the Institute of Place Management (<u>HSC0020</u>); NALC (<u>HSC0045</u>)

³⁸ Written evidence from UKHospitality (<u>HSC0040</u>)

³⁹ Written evidence from the LGA (<u>HSC0019</u>)

⁴⁰ **Q** 9 (Professor John Tomaney)

⁴¹ Q 111 (Councillor Susan Brown), also mentioned in written evidence from the LGA (HSC0019)

⁴² Written evidence from Colliers (HSC0028)

⁴³ Q 133 (David Rudlin)

⁴⁴ Written evidence from Colliers (HSC0028)

⁴⁵ Q 43 (Michael Weedon)

centre and high street.⁴⁶ Similarly, Ashington in Northumberland reversed its pedestrianised high street in 2017 to allow single-lane low-speed traffic and 30 parking spaces alongside wide pedestrian walkways, with shopkeepers detailing significant increases in footfall and a doubling of revenue following the changes.⁴⁷ David Rudlin, Director of Urban Design at BDP, told us there are places where pedestrianisation has killed the high street "because people no longer know it is there".⁴⁸ He suggested that the scale of parking, including free parking, needed in a town is inversely proportional to the attractiveness and amenities available: "if you are a centre that has got weak attractions, the last thing you want to do is make it harder to get there."⁴⁹

- 24. The design and placement of the parking spaces in the town centre is crucial. Mr Rudlin further argued that the problem for some places is not the number of parking spaces but how they are laid out, noting that it is important to "make the car parking efficient, putting it in one place that is well located and not in every little bit of the town. Organise it properly, but do not take it away completely".⁵⁰ RICS pointed out that "parking allocation and charging is often a compromise between the needs of shoppers, workers and residents" and that "imaginative solutions that reconcile these needs" such as short-term parking in restricted zones could be useful.⁵¹
- 25. We also received evidence on the importance of considering the needs of disabled people in the design and layout of high streets and in the provision of parking. Dr Arun Ulahannan, Assistant Professor at the National Transport Design Centre at Coventry University, cited his research which found that "as many as 75 per cent of disabled people have experienced poor access to the UK high street", with a lack of disabled parking with adjacent dropped kerbs being a central factor.⁵² Councillor Vikki Slade, the then Deputy Chair of the Local Infrastructure and Net Zero Board at the Local Government Association, recommended prioritising parking spots for people with disabilities, and witnesses also highlighted the need for good maintenance of the physical state of high streets as being important in supporting disabled access, including well-maintained and wide pavements.⁵³

26. Safe and easy access is crucial to a thriving high street. Better public transport connectivity, particularly through improved bus networks, would help support local high streets.

27. Car access and available parking are still necessary to sustain many high streets. This is especially true in areas with poor public transport links where pedestrianisation may harm the high street through lack of accessibility. Car parking should be designed so that

⁴⁶ High streets in towns and small cities: Staines-upon-Thames visit note (22 August 2024): <u>https://</u> <u>committees.parliament.uk/publications/45285/documents/224326/default/</u>

^{47 &#}x27;Life in Ashington: How £200m has changed the face of former Northumberland coal-mining town', Chronicle Live (30 April 2017): <u>https://www.chroniclelive.co.uk/news/north-east-news/life-ashington-how-200m-rejuvenated-12454163</u> [accessed 9 September 2024]

^{48 &}lt;u>Q 132</u> (David Rudlin)

⁴⁹ *Ibid.*

⁵⁰ Q 133 (David Rudlin)

⁵¹ Written evidence from RICS (HSC0033)

⁵² Written evidence from Dr Arun Ulahannan (<u>HSC0015</u>)

⁵³ Q113 (Councillor Vikki Slade); written evidence from Civic Voice (<u>HSC0024</u>); Artspace Lifespace (<u>HSC0011</u>); Professor Anna Lawson and Dr Maria Orchard (<u>HSC0016</u>); the Design Council (<u>HSC0043</u>) Dr Cath Jackson et al (<u>HSC0032</u>); Morecambe Town Council (<u>HSC0048</u>); Policy Exchange (<u>HSC0054</u>); supplementary written evidence from Helle Lis Søholt (<u>HSC0058</u>)

it makes most efficient use of the space available and is accessible to people with disabilities.

Safety

- 28. High streets are vital thoroughfares and meeting places in towns and small cities but young people, especially young women, told the committee that they often do not feel safe on their local high street.⁵⁴ Some students who participated in the committee's engagement event reported that they would not feel safe walking down the high street at night, even as part of a larger group.⁵⁵ The drop-off in footfall in the evening, poor lighting and anti-social behaviour such as drunk and rowdy people were contributing factors.⁵⁶
- 29. Kate Nicholls, CEO of UKHospitality, emphasised the importance of hospitality businesses, compared with a retail environment, in promoting feelings of safety at night because they "literally provide light and life for those who are walking home".⁵⁷ Mr Rudlin also told us that:

"The key thing about safety is busyness. People talk about the 'sanitation of the human gaze'. Even if you are not actually being overlooked, the feeling that you might be overlooked causes people to behave much better. So busy high streets are, by definition, much safer than empty ones."⁵⁸

- 30. According to Dr Eman Zied Abozied et al of the University of Newcastle, a busy, vibrant high street is less likely to see anti-social behaviour than an empty one, and increased footfall can act as natural surveillance or "eyes on the street".⁵⁹ Mr Rudlin argued for a mix of uses on the high street including housing, stating: "The prospect that someone is living up there with the lights on is going to make the place feel safer."⁶⁰
- 31. In its guidance on healthy high streets in 2018, Public Health England (PHE) suggested that crime prevention and safety initiatives could help people feel safe.⁶¹ From an urban design perspective, PHE emphasised the importance of green infrastructure not blocking sightlines. Clear signage, lighting and clear sightlines could all contribute to feelings of safety on key walking routes.⁶²
- 32. It is vital that members of the community of all ages and conditions feel safe and welcome on their local high street. Adequate street lighting, clear sightlines and "eyes on the street," as well as a mix of uses including residential and those open into the night, can help to contribute to safer-feeling spaces.

⁵⁴ Written evidence from RECLAIM (<u>HSC0061</u>); High streets in towns and small cities: Engagement note (20 May 2024): <u>https://committees.parliament.uk/publications/44828/documents/222719/default/</u>

⁵⁵ High streets in towns and small cities: Engagement note (20 May 2024): <u>https://committees.parliament.</u> <u>uk/publications/44828/documents/222719/default/</u>

⁵⁶ Ibid.

^{57 &}lt;u>Q 83</u> (Kate Nicholls)

⁵⁸ Q 135 (David Rudlin)

⁵⁹ Written evidence from Dr Eman Zied Abozied et al (HSC0031)

^{60 &}lt;u>Q 136</u> (David Rudlin)

⁶² Written evidence from the Design Council (<u>HSC0043</u>)

Pride in place

- 33. As part of the previous Government's levelling up agenda, it sought to enhance "pride in place".⁶³ This was described as "a sense of community, local pride and belonging".⁶⁴ In evidence to us, organisations such as Wakefield Civic Society, Historic England, the British Beer and Pub Association and Civic Voice all closely linked the prosperity of, and what is on, a local high street with the sense of pride within a local area.⁶⁵
- 34. Many successful high streets have a local distinctive feature which instils a character and a sense of community. This can take the form of historic or iconic buildings, a specific retail offering, or activities such as a regular local market.

Local historic character

- 35. High streets are often the historic centre of the town where the buildings of greatest significance are clustered. Town halls, market halls, banks, post offices, churches, libraries, magistrates courts, historic hotels, local theatres and cinemas have all come to define the high street.
- 36. Preserving and celebrating local history and character improves the attractiveness of an area to visitors and enhances local quality of life.⁶⁶ Whilst the particular character of a place will vary, we were told that:

"Every place in England has a unique history and historic environment that can be harnessed to help achieve a prosperous future for people and places. Because everywhere has heritage, it can be used as a tool to secure regeneration in places that need it."⁶⁷

37. Maintaining and restoring historic assets on high streets can be challenging owing to the costs of refurbishment and potential ongoing management of the sites, which could risk heritage high streets having increased numbers of vacant properties.⁶⁸ Nonetheless, Wakefield Civic Society suggested that restoration was cheaper than redevelopment and that grant funding for this work from Historic England had yielded quicker results for their town centre than proposed redevelopment projects.⁶⁹ Regardless of potential costs, local authorities, developers, businesses and heritage organisations emphasised the importance of including these sites in any regeneration plans for a high street given the benefits they can bring.⁷⁰ Mark Dransfield, founder and managing director of Dransfield Properties, was clear that respecting and celebrating the local history, even within a completely new development, was

⁶³ HM Government, Levelling Up the United Kingdom: Executive Summary (2 February 2022): https:// assets.publishing.service.gov.uk/media/62e7a429d3bf7f75af0923f3/Executive_Summary.pdf [accessed 23 August 2024]

⁶⁴ Ibid.

⁶⁵ Written evidence from Wakefield Civic Society (<u>HSC0004</u>); Historic England (<u>HSC0053</u>); the British Beer and Pub Association (<u>HSC0018</u>); Civic Voice (<u>HSC0024</u>); the Ministerial Advisory Group for Architecture & Built Environment, Department for Communities, Northern Ireland (<u>HSC0012</u>)

⁶⁶ Written evidence from NALC (<u>HSC0045</u>); <u>Q 138</u> (David Rudlin)

⁶⁷ Written evidence from Historic England (<u>HSC0053</u>)

⁶⁸ Written evidence from Brighton & Hove City Council, the Brighton & Hove Economic Partnership and the Brilliant Brighton BID (<u>HSC0029</u>)

⁶⁹ Written evidence from Wakefield Civic Society (<u>HSC0004</u>)

Written evidence from NALC (<u>HSC0045</u>); Wakefield Civic Society (<u>HSC0004</u>); Historic England (<u>HSC0053</u>); <u>Q 197</u> (Mark Dransfield)

"why our centres have worked".⁷¹ A good example of such a development is outlined in Box 2.

Box 2: Sunderland historic centre restoration

Sunderland made a successful bid for Historic England's Heritage Action Zone five-year programme (2017–22), which focused on the rejuvenation of the city's historic high streets and Old Town. The Heritage Action Zone included the restoration and adaptive re-use of strategically positioned listed buildings on High Street West and Fawcett Street in the Sunniside regeneration area of the city centre as a catalyst to help stimulate the area's wider economic growth. In terms of funding, the programme received £1 million from Historic England, £1.3 million from Sunderland City Council, £3.6 million from the National Lottery Heritage Fund and £2.1 million from other organisations.

Create Streets judged the Heritage Action Zone programme to have visibly improved the area, leading to the introduction of a diverse mix of new enterprises such as creative workspaces in restored buildings, whilst maintaining the business district for professional services on the Georgian-era streets.

In total, the Heritage Action Zone programme provided grant funding to 67 high streets to invest in historic buildings and shop fronts.⁷² Historic England told us that, as a result of the programme, 77 per cent of people living in areas in receipt of funding felt more part of their community, 69 per cent of people were more likely to visit their high street more often and 82 per cent of people had more pride in their high street and local area.⁷³ They also found that local businesses valued historic character and preferred to be based on high streets with historic buildings.⁷⁴

Source: Historic England, Press Release: Celebrating the Success of Sunderland's Heritage Action Zone on 21 July 2022: https://historicengland.org.uk/whats-new/in-your-area/north-east/celebrating-sunderland-heritage-action-zone/#9a0fab8f [accessed 23 August 2024] and Create Streets, Sunniside Place Strategy (May 2023): https://sunnisidesunderland.com/wp-content/uploads/2024/03/Sunniside-Place-Analysis-Report-2023-for-website.pdf. [accessed 23 August 2024]

38. Celebrating the local history of a place and conserving and repurposing historic buildings on the high street wherever possible celebrates the character and heritage of the high street, encourages a greater sense of pride in place and could draw more people in and potentially increase footfall.

Markets

39. Markets are the oldest form of collective retailing: the Domesday Book of 1086 lists 50 markets in England. The existence of markets has impacted the street design and layout of towns across the country and many markets still operate under historic charters or local laws to this day. We heard that Frome is characterised by its market which supports independent businesses and the regular market in Staines-upon-Thames boosts footfall in the town centre.⁷⁵ 82 per cent of markets are owned and operated by local authorities.⁷⁶

^{71 &}lt;u>Q 197</u> (Mark Dransfield)

⁷² Written evidence from Historic England (HSC0053)

⁷³ Ibid.

⁷⁴ Ibid.

Q 161 (Peter Wheelhouse); High streets in towns and small cities: Staines-upon-Thames visit note (22 August 2024): <u>https://committees.parliament.uk/publications/45285/documents/224326/default/</u>
 Supplementary written evidence from Graham Wilson (HSC0005)

⁷⁶ Supplementary written evidence from Graham Wilson (<u>HSC0005</u>)

- 40. Markets not only increase the vitality of a local high street, but they can also act as catalysts for new businesses.⁷⁷ Sir John told us that markets allow people to try out new approaches with lower rents and cheaper startup costs and "the more people can do that, the more likely they are to have a flourishing high street with new things coming along."⁷⁸ Historically, several bricks and mortar retail stores and restaurants began in markets before transitioning to more formal premises including Marks and Spencers, Dunelm and Tesco.⁷⁹ The Institute for Place Management and Grimsey review echoed this sentiment, saying that markets increase footfall and retail sales in town centres and act as business incubators. The Teenage Market, established in 2012, facilitates this process for young traders (see Box 3).
- 41. Despite these positives, markets have faced some criticism in recent times. On the one hand there is a narrative of 'decline' owing to run-down facilities, empty stalls or markets closing altogether. On the other hand, some have been criticised for 'gentrification' as market owners try to appeal to younger or more affluent members of communities. Mr Wilson told us that markets are responding to the changing needs of communities in order to survive and still have a bright future.⁸⁰ They not only operate as retail spaces but also can be used to deliver community services such as mini library hubs (Kirkgate, Leeds), vaccination clinics (Barnsley), and specific support for elderly people (Newcastle) ,as well as acting as events spaces.⁸¹

Box 3: The Teenage Market

The Teenage Market is an initiative established in 2012 which enables teenagers to put their business ideas and entrepreneurial skills into practice, by providing a market space for young traders to sell products and young performers to showcase creative skills and talents. There have been over 400 Teenage Market events held in over 50 towns and cities. The first Teenage Market event was set up in Stockport by teenage brothers Tom and Joe Barratt, who wanted to establish a specialist market designed specifically for young people.

Following the success of the first Teenage Market, the local business community recognised the potential for The Teenage Market to play a significant role in the town's regeneration strategy and Stockport Council's Business Challenge Fund awarded them funding to further develop the concept. The funding was used to create a toolkit with products and services for other teenagers to set up their own markets across the UK. Since then, The Teenage Market has partnered with the High Streets Task Force (HSTF) ,which has provided \pounds 55,000 in funding, and 30 events have taken place in eight HSTF locations, with the most successful cases in Horncastle, Carlisle and Sunderland. For example, a young trader in the Horncastle The Teenage Market was able to take on the lease of an empty shop unit on Horncastle's high street following the success of her products in the market.

^{77 &}lt;u>Q 26</u> (Sir John Timpson)

⁷⁸ Ibid.

⁷⁹ Q 26 (Sir John Timpson); Tesco, 'Our history': <u>https://www.tescoplc.com/about/our-history/</u> [accessed 20 September 2024]; Dunlem, 'About Us': <u>https://www.dunelm.com/info/about-us</u> [accessed 20 September 2024]

^{80 &}lt;u>Q 43</u> (Graham Wilson)

⁸¹ Ibid.

The Teenage Market events have generated at least £500,000, which is being reinvested in the young people's projects and small businesses. It estimates that for every £1 the public sector has invested, young people participating in the events have received £5. It has also supported the development of key life skills, with 70 per cent of participants agreeing that The Teenage Market had "improved their business skills" and 77 per cent stating that it had "improved their social skills" and boosted their confidence and self-esteem. The Institute of Place Management's High Street 2030 project praised The Teenage Market franchise for lowering barriers to entry for young people on the high street, fostering social interactions and offering a more inclusive and intergenerational high street experience.

Source: Written evidence from The Teenage Market (Market Innovations Ltd) (HSC0034)

42. Local markets can boost footfall on high streets and contribute to the unique character of towns and small cities across the country. Markets not only contribute to local economies but can also act as catalysts for the high street brands of tomorrow. Local authorities and other market operators should continue to support market traders.

Public realm and green spaces

43. Beyond the physical buildings on a high street, the Bennett Institute's report *Townscapes: Pride in Place* concluded that improving the quality and quantity of cultural amenities, green spaces and places for community interaction or social infrastructure would help to create pride in place.⁸² In acknowledging the different needs of each place, Civic Voice, a charity promoting civic movements, argued that a thriving high street needs "an attractive, well-designed, sustainable, and interactive public space" including green areas to improve the public space.⁸³ Mr Dransfield told us that:

"The public realm is hugely important. It makes the town centre. It adds to the vibrancy ... You have to switch every sense on when you go into a town centre—your eyes, your ears and your nose. It has to look, smell and be lovely, and everything has to be clean."⁸⁴

44. We heard about the value of people having space to socialise and spend time without spending money on the high street and the importance of green spaces on or near the high street. Young people working with RECLAIM, a charity working with young working class people, said that green spaces in their local area were less accessible and pleasant when they were poorly kept.⁸⁵ Students in Lancaster and Shrewsbury also told us that they wanted to see more, and safer, green spaces on their local high streets, which would give them space to socialise.⁸⁶ Even modest aesthetic changes such as hanging baskets were considered to be small but positive contributions that would be welcomed by the public, especially in parts of the country where the weather

⁸² Bennett Institute for Public Policy, *Townscapes: Pride in Place* (August 2022): <u>https://www.bennettinstitute.cam.ac.uk/wp-content/uploads/2022/08/Pride-in-Place-Report.pdf</u> [accessed 9 September 2024]

⁸³ Written evidence from Civic Voice (<u>HSC0024</u>); see also written evidence from NALC (<u>HSC0045</u>)

^{84 &}lt;u>Q 196</u> (Mark Dransfield).

⁸⁵ Written evidence from RECLAIM (HSC0061)

⁸⁶ High streets in towns and small cities: Engagement note (20 May 2024): <u>https://committees.parliament.uk/publications/44828/documents/222719/default/</u>

was less conducive to spending time in a park.⁸⁷ Research in 2021 by the University of Cambridge suggested that more green spaces and 'play on the way' activities in urban design could improve the physical health of local communities.⁸⁸

- 45. However, it should be noted that a narrow focus on only making cosmetic changes, such as hanging baskets, may be misplaced and will not necessarily create pride in place or turn around the fortunes of a high street on its own.⁸⁹ Former MP and now CEO of policy thinktank Palace Yard, Natascha Engel, argued that civic pride measures such as plants, whilst more common in places with less antisocial behaviour, were not the cause of reduced antisocial behaviour, but rather the visible evidence that civic-minded people were involved in their communities.⁹⁰ Nonetheless, it was clear that local communities do consider clean and well-maintained spaces to be a mark of a successful high street, and that measures such as good urban design and green spaces could prolong people's stay on the high street and therefore contribute to increased footfall and the perception of a more thriving environment.⁹¹
- 46. More green space and an improved public realm alone cannot restore the prospects of a high street, but they should be a key consideration in any proposed regeneration programme. Ensuring that a high street has places for young people to socialise and is clean and well maintained may contribute to ensuring that the space is used by a greater proportion of the community, in turn improving footfall and the ability to sustain local businesses and public services in the area.
- 47. Access to public toilets on, or just off, the high street can be limited.⁹² Whilst these services can be used by anyone, they are particularly important for the elderly and families with young children.⁹³ Where they are not available they may limit the amount of time such groups can spend on the high street, or perhaps stop them from visiting altogether which then "further contributes to a decline in footfall."⁹⁴ The Royal Society for Public Health found in 2023 that one fifth of the general public do not go out as often as they would like owing to concerns about a lack of public toilets.⁹⁵ They recommended the provision of public toilets be made compulsory and explored potential funding routes such as central government support, levying a small charge on public transport journeys, more use of advertising space and working with local businesses to provide services.⁹⁶

⁸⁷ Ibid.

⁸⁸ Written evidence from Dr Anna Boldina (<u>HSC0055</u>); see also written evidence from RICS (<u>HSC0033</u>)

⁸⁹ Bennett Institute for Public Policy, Press Release: Levelling up? Boosting civic pride more than hanging baskets on high streets-new report suggests on 4 August 2022: <u>https://www.bennettinstitute.cam.ac.uk/</u> blog/civic-pride/ [accessed 9 September 2024].

^{90 &#}x27;Are hanging baskets the key to community cohesion?', *The Critic* (16 December 2020): <u>https://</u> <u>thecritic.co.uk/are-hanging-baskets-the-key-to-community-cohesion/</u> [accessed 9 September 2024]

⁹¹ Written evidence from Colin Hicks (<u>HSC0038</u>); Public Health England, *Healthy High Streets: Good Place-Making in an Urban Setting*, (January 2018): <u>https://assets.publishing.service.gov.uk/</u> media/5acf358240f0b617df3358a8/25.01.18_Healthy_High_Streets_Briefing_document_Final_ version.pdf [accessed 23 August 2024]; <u>Q 119</u> (Helle Lis Søholt)

⁹² Written evidence from Dr Fei Chen and Sandy Britton (<u>HSC0008</u>) and Civic Voice (<u>HSC0024</u>)

⁹³ Written evidence from Dr Eman Zied Abozied et al (HSC0031)

⁹⁴ Written evidence from Dr Eman Zied Abozied et al (<u>HSC0031</u>) and Civic Voice (<u>HSC0024</u>)

⁹⁵ Royal Society for Public Health, Taking the P***: The Decline of the Great British Public Toilet (May 2019) p 11: <u>https://www.rsph.org.uk/static/uploaded/459f4802-ae43-40b8-b5a006f6ead373e6.</u> pdf [accessed 20 September 2024]

⁹⁶ *Ibid.* p 14

48. Public toilets make it possible for everyone to use the local high street with confidence and comfort. They are particularly critical for elderly people and families with young children who might otherwise be reluctant to leave home. There are many ways to ensure decent public toilets are available and maintained on high streets and local authorities should be proactive in pursuing these options. This could include working with local businesses to provice more choice and availability.

CHAPTER 3: WHO IS RESPONSIBLE FOR THE HIGH STREET?

49. Just as each high street faces its own challenges, the question of who takes responsibility for finding solutions and driving change will vary from place to place. In this chapter we set out how landlords, business owners, local community members and local authorities interact to manage successful high streets, and what the key roles and responsibilities are for each group.

Businesses and commercial enterprises

- 50. Retail and local businesses are central to high streets, as demonstrated by the first formal definition by the Ordnance Survey defining a high street as "a minimum of 15 retail units within 150 metres of each other".⁹⁷ This definition emphasises the key role that businesses and, by extension, business owners have on the high street. Even those such as Mr Rudlin, who suggested that a focus purely on retail is too narrow a definition, acknowledged that the purpose of a high street is to serve a community including through retail and businesses.⁹⁸
- 51. Whilst the benefit of being on the high street is clear for service businesses, such as hairdressers, which cannot deliver their services online, research has shown that a presence on the high street can also boost the online sales for a brand within the area surrounding the shop's location by an average of 6.9 per cent in the weeks following the opening.⁹⁹ Having a well-maintained and busy high street with a variety of uses supports local businesses: greater footfall for any reason is likely to lead to more customers, even in the case where the person did not travel to the high street to initially visit the store.¹⁰⁰ In contrast, an unappealing high street and a series of vacant units can deter visitors and risks beginning a spiral of decline for the remaining businesses.¹⁰¹ Considering this, business owners (whether of private or community-owned companies) operating on high streets in towns and small cities have a vested interest in wider measures that lead to popular and busy high streets.
- 52. However, the scale of responsibility and opportunity for business owners to influence their local high streets can vary. Andrew Tighe, Strategy and Policy Director at the British Beer and Pub Association, noted: "When you take into account things such as planning, licensing and local infrastructure, an awful lot of levers are outside the control of pubs and wider hospitality."¹⁰² Paragraph 65 provides further details on the statutory functions of local authorities which can impact on business activity.
- 53. Thriving businesses are essential for a busy and successful local high street and business owners should be actively involved in the management of their high street.

⁹⁷ Ordnance Survey, 'The geography of Britain's high streets' (3 January 2023): <u>https://www.ordnancesurvey.co.uk/insights/the-geography-of-britains-high-streets</u> [accessed 9 September 2024]

^{98 &}lt;u>Q 130</u> (David Rudlin)

^{99 &#}x27;Physical retail fights back: how high streets are regaining their purpose', *Savills Impacts* (July 2023): https://www.savills.com/impacts/market-trends/physical-retail-fights-back-how-high-streets-areregaining-their-purpose.html [accessed 9 September 2024]

¹⁰⁰ Oral evidence taken before the Housing, Communities and Local Government Committee, inquiry on *High streets and town centres in 2030*, 9 October 2018 (Session 2017–19), <u>QQ 40–120</u> (Tom Ironside et al); High streets in towns and small cities: Staines-upon-Thames visit note (22 August 2024): <u>https://committees.parliament.uk/publications/45285/documents/224326/default/;</u> written evidence from the Charity Retail Association (<u>HSC0050</u>)

¹⁰¹ Written evidence from Frome Town Council (<u>HSC0065</u>); Charity Retail Association (<u>HSC0050</u>)

¹⁰² **Q** 87 (Andrew Tighe)

54. Ensuring that local businesses support and are involved in high street regeneration projects is vital. Local authorities should empower and enable local business leaders to drive forward high street regeneration projects.

Business Improvement Districts

- 55. Business Improvement Districts (BIDs) are bodies (either private companies or in partnership with the local authority) that are funded by a levy on business rate payers in the area.¹⁰³ BID boards consist of local business owners and are established through a ballot which takes place every five years. Multiple BIDs with different specific focuses may operate in the same area. For example, in Liverpool there are Accommodation, Culture and Commerce, and Retail and Leisure BIDs, all of which are balloted for separately and will have different relevant levy payers.¹⁰⁴ In BIDs, the funding is ring-fenced for use in that area and can be used for improvements such as cleaning services, safety measures and transport incentives. BIDs may replace functions traditionally considered to be the responsibility of the local authority where it is under financial strain.¹⁰⁵
- 56. Since their creation in 2004, the number of BIDs has continually grown and there are currently over 330 in Britain.¹⁰⁶ There are 60 per cent more BIDs per person in Scotland than England, likely owing to the provision of Government funding to support their establishment.¹⁰⁷ When discussing the benefits of BIDs and whether they should be mandated, Ms Nicholls, the CEO of UKHospitality, suggested that BIDs work specifically because they are "grass roots up and organic" and that they provide a useful formal vehicle for bringing groups together.¹⁰⁸
- 57. Members of the BID are involved in prioritising activity for their areas, giving retailers a sense of "taking their fate rather more into their own hands; it is something they can do about the area outside their front door".¹⁰⁹ We heard that BIDs are crucial to creating successful places and in facilitating strong networks in a local place.¹¹⁰ BIDs have invested over £1 billion in levies into their local areas since 2004, with Brighton and Hove City Council saying that the Brilliant Brighton BID had delivered over £450,000 of additional benefits to the city centre since 2021 by funding street dressing and decoration in the summer, light shows, a dedicated marketing campaign

- 107 HSTF, 'A state-of-the-art review of Business Improvement Districts in the UK: Setting the agenda for policy, practice, and research': <u>https://www.highstreetstaskforce.org.uk/resources/</u> <u>details/?id=a5ba7044-0747-4ff9-87f2-906383994275</u> [accessed 12 September 2024]
- 108 Q 78 (Kate Nicholls)
- 109 Q 53 (Michael Weedon)

¹⁰³ Ministry of Housing, Communities and Local Government, Business Improvement Districts (November 2014): <u>https://www.gov.uk/guidance/business-improvement-districts</u> [accessed 23 August 2024]

¹⁰⁴ Liverpool BID Company, 'About': <u>https://liverpoolbidcompany.com/about/</u> [accessed 9 September 2024]

¹⁰⁵ Written evidence from Brighton & Hove City Council, the Brighton & Hove Economic Partnership and the Brilliant Brighton BID (<u>HSC0029</u>)

¹⁰⁶ ACS, 'Local Economy—Business Improvement Districts (BIDs) and Town Teams': <u>https://www.acs.org.uk/local-economy-business-improvement-districts-bids-and-town-teams</u>. [accessed 12 September 2024]

¹¹⁰ Written evidence from the Institute of Place Management (<u>HSC0020</u>) and Historic England (<u>HSC0053</u>)

and a security officer.¹¹¹ BIDs may take on responsibility for running regular or seasonal local markets as a way to increase footfall, although the majority remain managed by local authorities.¹¹²

- 58. Mr Weedon argued that BIDs do improve outcomes for businesses and that "the evidence is that they keep voting them back in".¹¹³ However, the Royal Institute of Chartered Surveyors said that their members involved in multiple BIDs found them to be inconsistent in effectiveness and Mr Dransfield suggested that "we are tinkering around the edges with BIDs".¹¹⁴ BID levies are a further cost for business owners, on top of business rates, a potential service charge and rent.¹¹⁵ Furthermore, BIDs were criticised by Power to Change for the lack of community involvement, in contrast with Community Improvement Districts (discussed in more detail in paragraph 60), which are positioned specifically to represent the views of local community members.¹¹⁶ Ultimately, businesses will be focused on their business needs.¹¹⁷
- 59. Business Improvement Districts are a useful tool for coordinating business involvement in their local areas. The Government should support Business Improvement Districts, but they should not be mandated.

Landlords, property owners and developers

- 60. An analysis by Estates Gazette of properties on 22 British high streets found that just 5.3 per cent of retail and leisure units were owned by their current occupiers.¹¹⁸ Real Estate Investment Trusts and property companies are the largest landlords on the high street, with overseas owners and UK-based institutions such as pension funds also holding significant amounts of property.¹¹⁹ Individuals and local authorities also act as landlords on the high street.
- 61. Whether a business can find a space to rent, and at a suitable price, dictates its presence on the high street. Since the introduction of Use Class E (explained in more detail in paragraph 77), landlords have had a wider range of options for whom they rent to, and it has opened competition between different types of high street use.¹²⁰ Permitted development rights for Use Class E properties also present landlords with the opportunity to convert high street units into residential properties more easily than was previously possible. We heard this may be preferable for landlords faced with paying business rates

¹¹¹ Written evidence from Brighton & Hove City Council, the Brighton & Hove Economic Partnership and the Brilliant Brighton BID (<u>HSC0029</u>); 'Business Improvement Districts celebrate 20 years and £1 billion invested in UK towns and cities', *Institute of Place Management* (9 February 2024): <u>https:// www.placemanagement.org/news/posts/2024/february/business-improvement-districts-celebrate-20years-and-1billion-invested-in-uk-towns-and-cities/</u> [accessed 12 September 2024]

¹¹² Q 55 (Graham Wilson); NABMA, 'Markets First—Securing the Future for UK Markets': <u>https://</u> <u>nabma.com/markets-first-securing-the-future-for-uk-markets/</u> [accessed 25 September 2024]

¹¹³ Q 53 (Michael Weedon)

¹¹⁴ Written evidence from RICS (<u>HSC0033</u>); <u>Q 195</u> (Mark Dransfield)

¹¹⁵ Q 195 (Amanda Holmes)

¹¹⁶ Q 77 (Josh Westerling)

¹¹⁷ Q 75 (Josh Westerling); supplementary written evidence from Power to Change (<u>HSC0035</u>; <u>HSC0052</u>)

^{118 &#}x27;Who owns the high street?', EG (16 May 2019): <u>https://www.egi.co.uk/news/who-owns-the-high-street/</u> [accessed 9 September 2024]

¹¹⁹ Ibid.

¹²⁰ Q 105 (Councillor Vikki Slade)

on an empty property or where a residential property yields greater returns than a business let.¹²¹

- 62. The wider economic circumstances, consumer preferences and the rent levels landlords seek to remain financially viable may result in the dominance of certain business types. For example, charity shops, owing to business rates relief and low to no staff costs, "can often afford more competitive rent rates than some of the retailers wanting to take over some space".¹²² Fast food businesses, such as chicken shops, were also cited as being able to afford tenancies as a result of their significant profit margins from high turnover and minimal labour and capital costs.¹²³
- 63. We heard that the issue of vacant properties and "neglectful" landlords could negatively impact the look and feel of a high street and could be a particular issue in disadvantaged areas.¹²⁴ Professor Tomaney told us that the issue of vacant properties was related to absentee landlords and an inability to identify who owns specific property, so "even if you want to bring a derelict building back into use, there is a major effort involved in identifying who owns the property".¹²⁵ Historic England identified the role of building owners as the "key obstacle preventing more effective use of property on the high street", saying that owners too often did not have a direct interest in the success of the wider area and were not incentivised to use properties more effectively.¹²⁶ We also heard that some landlords may choose to keep properties empty if reducing the rent would impact the capital value of their portfolio.¹²⁷ In Chapter 4 we consider some of the policy proposals to resolve the challenges presented by absent landlords.
- 64. Whilst not the typical ownership structure of a high street, landlords who own an extensive area within a town centre can curate and maintain successful high streets with a variety of businesses and services on offer. In Staines-upon-Thames, the CEO of Spelthorne Borough Council highlighted to us that owning the Elmsleigh Shopping Centre not only created a financial return for the authority but also allowed the council to make choices about whom to rent space to based on what would stimulate local vitality and support the community.¹²⁸ Councillor Slade gave the example of Poole Town Centre, where the landlord owns the shopping centre and surrounding streets and had "been able completely to reimagine the town centre".¹²⁹ Another example we heard was Catherine Hill in Frome (see Box 4). In contrast, in the more common circumstance where many landlords were operating on one high street it could be difficult to work towards a single vision.¹³⁰ Mr Dransfield acknowledged that owning the entire shopping centre gave him the ability to

¹²¹ Written evidence from the Shopkeepers' Campaign (<u>HSC0023</u>) and Richmond Society (<u>HSC0044</u>); <u>Q 50</u> (Michael Weedon)

^{122 &}lt;u>Q 42</u> (Laura Onita)

^{123 &#}x27;The economics of chicken-shop Britain', *Financial Times* (8 December 2023), available at: https:// www.ft.com/content/1c973989-c44f-4062-88c4-53e7fba0baaa [accessed 9 September 2024]

¹²⁴ Q.5 (Professor John Tomaney)

¹²⁵ Ibid.

¹²⁶ Written evidence from Historic England (HSC0053)

¹²⁷ Written evidence from Vicky Payne and David Rudlin (<u>HSC0026</u>); High Streets Research Network (<u>HSC0014</u>)

¹²⁸ High streets in towns and small cities: Staines-upon-Thames visit note (22 August 2024): <u>https://</u> committees.parliament.uk/publications/45285/documents/224326/default/

¹²⁹ Q 96 (Councillor Vikki Slade)

¹³⁰ Q 94 (Councillor Vikki Slade)

curate their offer, but that: "If you have hundreds or thousands of landlords on one street, they do not have the same agenda."¹³¹

Box 4: Catherine Hill, Frome

Frome is a traditional market town in eastern Somerset, situated 12 miles from Bath and 25 miles from Bristol. Frome Town Council is one of the 279 towns and parishes of Somerset Council, which has been the unitary authority for the area since 2021. Frome is characterised by a large number of local, independent shops and markets, with roughly 75 per cent of retailers being independents and 17 per cent chains. There is a relatively small proportion of vacant properties on the high street.

In the 2010s, the town centre manager, employed by Somerset Council, and responsible for managing Frome, established a vacant property schedule and sought to build up good relationships with landlords, who were themselves willing to put together flexible leases and reduce rents. Peter Wheelhouse, Deputy Town Clerk at Frome Town Council, highlighted to us the vital role of local entrepreneur Gavin Eddy, whose decision to offer lower rents on Catherine Hill "[gave] birth to a new artisan shopping quarter". Frome Town Council supported him and other relevant landlords and enabled a series of local events to help increase footfall to Catherine Hill. One example of this was the council's early investment in The Frome Independent, a monthly artisan street market, of which the landlord was a founding member.

Source: <u>Q 161</u> (Peter Wheelhouse); Frome Town Council, [Homepage]: <u>https://www.frometowncouncil.gov.uk/</u> [accessed 4 November 2024]

65. The decisions of landlords about whom they are willing to rent to, on what terms, and what level of profit they need or are willing to accept, will impact the mix of businesses operating on a high street. This approach risks increased vacancies or an overprovision of specific types of business.

Local communities

- 66. Whilst some centres may thrive because of seasonal tourist trade, we heard that high streets primarily exist to serve their local communities.¹³² Professor Tomaney suggested that the future of successful high streets and town centres "lies in creating a partnership between communities and enabling communities to solve their own problems".¹³³ Furthermore, members of local communities may work together to open a community-owned business through organisations such as community benefit societies or social enterprises.
- 67. In reviewing its work with 67 high streets across the country to deliver the Heritage Action Zones programme, Historic England identified that local governance structures that gave local communities a say in decisions were key in ensuring that places met the needs of their users, and were therefore ultimately successful.¹³⁴ Community Improvement Districts (CIDs) are an example and aim explicitly to provide opportunities for community

^{131 &}lt;u>Q 195</u> (Mark Dransfield)

¹³² HSTF, 2020–21: Review of High Street Footfall in England (2021): <u>https://www.highstreetstaskforce.org.</u> <u>uk/media/opcelyp1/footfall-report-2021-final-for-publication.pdf</u> [accessed 12 September 2024]

¹³³ Q 15 (Professor John Tomaney)

¹³⁴ Written evidence from Historic England (HSC0053)

stakeholders to participate in high street redevelopment.¹³⁵ CIDs build on the Business Improvement District (BID) concept (discussed in paragraph 55) and seek to address the criticism that BIDs do not include non-business members of a local area.¹³⁶ The High Streets Research Network described the role of "local champions", particularly for successful community businesses.¹³⁷ Power to Change provided funding support for pilots of the CID approach and found that whilst CIDs may not be necessary, they could potentially lead to successful high street redevelopment.¹³⁸ The success of the pilots tended to rely on individuals who already had credibility as local leaders and who could use an established network to foster more extensive community connections.¹³⁹

- 68. Community groups have also argued for community ownership of properties on high streets and have proposed initiatives backed by the private sector to help communities raise money to purchase vacant high street properties. They have argued that the lack of capital, fragmented ownership of assets on the high street and the lack of transparency from landlords are key barriers to communities driving change and bringing about the types of places they would like to see on their high streets.¹⁴⁰ Recognising the role that community ownership can play on the high street, the Government has committed to legislating for the community right to buy in the English Devolution Bill.¹⁴¹
- 69. Reflecting on the potential of Community Improvement Districts, but that acknowledging the framework for these remains unclear, the Government should explore whether the Business Improvement District model should be expanded to require the participation of community representatives beyond local business owners.
- 70. Ministers from the new Government emphasised to us that they believe local communities are central to any future work to improve high streets and town centres. The Lords Minister for Housing and Local Government, Parliamentary Under-Secretary Baroness Taylor of Stevenage, emphasised the importance of engaging with young people, to ensure that future town centres will work for them.¹⁴² We were told that any future programmes would seek to empower local authorities and, through them, local communities to take decisions about what their area needs for the future:¹⁴³

"There is a great value in local communities being able to determine whether the priorities that they set when they were consulted about their town centres and high streets have been delivered by local leaders."¹⁴⁴

71. Former Government programmes, such as the New Deal for Communities, incorporated this approach by establishing a number of local partnerships

¹³⁵ Supplementary written evidence from Power to Change (<u>HSC0035</u>); the High Streets Research Network (<u>HSC0014</u>); Civic Voice (<u>HSC0024</u>)

¹³⁶ Q 75 (Josh Westerling)

¹³⁷ Written evidence from High Streets Research Network (HSC0014)

¹³⁸ Power to Change, Community Improvement Districts pilot programme: Final report (July 2023): https:// www.powertochange.org.uk/wp-content/uploads/2023/07/88-PTC-CID-report-V4-1.pdf [accessed 12 September 2024]

¹³⁹ Q 70 (David Moynihan, Josh Westerling)

¹⁴⁰ Written evidence from Love Wavertree CIC (<u>HSC0022</u>); Civic Voice (<u>HSC0024</u>) and supplementary written evidence from Power to Change (<u>HSC0035</u>; <u>HSC0052</u>)

^{141 &}lt;u>Q 212</u> (Alex Norris MP)

¹⁴² Q 210 (Baroness Taylor of Stevenage)

¹⁴³ Q 207 (Baroness Taylor of Stevenage)

^{144 &}lt;u>Q 204</u> (Baroness Taylor of Stevenage)

to oversee local regeneration projects.¹⁴⁵ The Long-Term Plan for Towns, established by the previous Government, also sought to actively involve local communities and business in project oversight through the establishment of Town Boards.¹⁴⁶ Town Boards are made up of local community leaders and employers and the chair must be an independent figure who "is a respected figure in the community with an obvious passion for the place."¹⁴⁷ Examples given include the leader of a local charitable organisation, a director of a local football club or the head of a further education college.

- 72. High streets are at their most vibrant when they are used by the whole community. Local authorities should ensure that their residents are involved in decision-making about their area through both formal consultations and partnership working.
- 73. We are pleased to hear that Ministers are seeking to learn from previous successful programmes. The Government should ensure that accountability mechanisms involving members of the local community, such as Towns Boards, are part of any new programmes to support local regeneration.

Local Authorities

74. The structure of local government varies between towns and small cities.¹⁴⁸ Two-tier areas consist of county councils and district councils. In this structure, the county council administers whole county matters such as public transport and highways. District councils handle more local services such as planning and leisure facilities. In unitary authorities, one organisation holds responsibility for all these matters. Unitary areas may be a whole county, part of a county or a single large town or city. Combined authorities are formed when councils within a specific area agree to work together, and each area has a unique settlement and policy powers. Alongside these structures some places have town or parish councils. These are generally responsible for local amenities such as recreational areas, footpaths or cemeteries.

Statutory duties

75. Local authorities have a statutory duty to deliver a range of services which have an impact on high streets. Of these, we received evidence regarding the following areas.

Strategic planning

76. Local planning authorities are responsible for producing strategic policies for their areas and for granting planning permission for new buildings on the high street or other regeneration projects. As part of this role, the National

¹⁴⁵ Department for Communities and Local Government, *The New Deal for Communities Experience: A final assessment—The New Deal for Communities Evaluation—Final report—Volume 7* (March 2010): https://extra.shu.ac.uk/ndc/downloads/general/A%20final%20assessment%20-%20Executive%20 summary.pdf [accessed 4 November 2024]

Ministry of Housing Communities and Local Governemnt, Department for Levelling Up, Housing and Communities, Long-Term Plan for Towns: guidance for local authorities and Town Boards (18 December 2023): <u>https://www.gov.uk/government/publications/long-term-plan-for-towns-guidance-for-localauthorities-and-town-boards/long-term-plan-for-towns-guidance-for-localauthorities-and-town-boards/long-term-plan-for-towns-guidance-for-localauthorities-and-town-boards/long-term-plan-for-towns-guidance-for-localauthorities-and-town-boards/long-term-plan-for-towns-guidance-for-localauthorities-and-town-boards/long-term-plan-for-towns-guidance-for-localauthorities-and-town-boards/long-term-plan-for-towns-guidance-for-localauthorities-and-town-boards/long-term-plan-for-towns-guidance-for-localauthorities-and-town-boards/long-term-plan-for-towns-guidance-for-localauthorities-and-town-boards/long-term-plan-for-towns-guidance-for-localauthorities-and-town-boards/long-term-plan-for-towns-guidance-for-localauthorities-and-town-boards/long-term-plan-for-towns-guidance-for-localauthorities-and-town-boards/long-term-plan-for-towns-guidance-for-localauthorities-and-town-boards/long-term-plan-for-towns-guidance-for-localauthorities-and-town-boards/long-term-plan-for-towns-guidance-for-localauthorities-and-town-boards/long-term-plan-for-towns-guidance-for-localbaards#long-term-plan-for-towns-summary [accessed 4 November 2024]
</u>

¹⁴⁷ Ibid.

¹⁴⁸ LGA, 'How is local government organised?': <u>https://www.local.gov.uk/our-support/councillor-and-officer-development/councillor-hub/introduction-local-government/how</u> [accessed 12 September 2024]

Planning Policy Framework requires Local Plans, which ensure the vitality of town centres by "taking a positive approach to their growth, management and adaptation".¹⁴⁹ These plans were described as being a central part of the vision for an area and "often at the heart of discussions between and bringing together multiple stakeholder groups".¹⁵⁰ Data from January 2024 found that only 21 per cent of Local Planning Authorities had adopted a new Local Plan within the last five years; of those without an up-to-date plan, 78 per cent were in the process of creating one.¹⁵¹

Planning approvals

77. Local planning authorities are also responsible for approving individual planning applications. This is a reactive process. For example, they are involved in approving pubs and new buildings on high streets as well as retail parks and out-of-town shopping centres. The impact and extent of these planning powers can be varied by central Government policies. In Staines-upon-Thames local business leaders told us about the impact of the local authority's planning decisions on the high street, suggesting that the decision to restrict out-of-town shopping centres and require an in-town shopping centre to integrate with the existing town centre had been vital to its success.¹⁵²

Licensing

78. Local authorities can provide outdoor trading licences to encourage street activity and markets. Under the Licensing Act 2003, businesses that sell or supply alcohol must obtain a licence from a licensing authority including for late-night activity.¹⁵³ Budweiser emphasised that "alongside planning, licensing decisions also have a real impact on the hospitality sector".¹⁵⁴ For example, Spelthorne Borough Council had used its licensing powers to shape its night-time economy.¹⁵⁵

Discretionary functions

- 79. In addition to statutory powers, local authorities have discretionary functions and can play a role in the strategic coordination and facilitation of economic development with local partners, including businesses and community groups. Local authorities can also act in the role of businesses or landlords as described above.
- 80. Local authorities can, for example, own or take over units and shopping centres within their high streets to let out or host public services. Through this, a local authority can curate the mix of businesses and services in the town centre on a larger scale. We also heard that local authorities could take
- Ministry of Housing, Communities and Local Government, National Planning Policy Framework (December 2023) para 90: <u>https://assets.publishing.service.gov.uk/</u> media/669a25e9a3c2a28abb50d2b4/NPPF December 2023.pdf [accessed 12 September 2024]

- 152 High streets in towns and small cities: Staines-upon-Thames visit note (22 August 2024):https://committees.parliament.uk/publications/45285/documents/224326/default/ [accessed 20 September 2024]
- 153 Local Government Association, Licensing Act 2003—Councillor's handbook (England and Wales) (30 July 2021): https://www.local.gov.uk/publications/licensing-act-2003-councillors-handbook-england-andwales-0 [accessed 12 September 2024]
- 154 Written evidence from the Budweiser Brewing Group UK & Ireland (HSC0039)
- 155 High streets in towns and small cities: Staines-upon-Thames visit note (22 August 2024): <u>https://</u> committees.parliament.uk/publications/45285/documents/224326/default/

¹⁵⁰ Written evidence from Dr Cath Jackson et al (<u>HSC0032</u>)

^{151 &#}x27;Planning Data Update 2024', *Savills* (15 January 2024): <u>https://research.euro.savills.co.uk/united-kingdom/to-publish/planning-data-update-2024.aspx</u> [accessed 20 September 2024]

over the tenancies for vacant properties and sublet them where the landlords are unwilling to risk directly leasing to independent shops or startups.¹⁵⁶ Local authorities may also have businesses on a high street which pay levies to a BID or are directly involved in establishing a BID. Local authorities currently operate 82 per cent of local markets.¹⁵⁷ Additionally, councillors are members of, and representatives for, the local community. All these activities give local authorities a vested interest in the success of, and active role in supporting, a high street in a similar way to those experienced by private businesses.

81. Local authorities have a central role to play in the revitalisation of high streets and town centres. This can range from intervening directly to curate mixed use spaces or acting to convene and support local residents and businesses.

Agents for change

- 82. Whilst we heard that local authorities can, and do, take significant steps and be entrepreneurial to deliver change in their local areas, the Institute for Place Management argued that "local authorities should not be the only agent for change in a place".¹⁵⁸ Local authorities were criticised for the level of bureaucracy that can be involved in projects and we were told that they might potentially be seen as "part of the problem rather than the solution".¹⁵⁹
- 83. Reflecting on the Heritage Action Zone programme, Historic England noted its success in working with local trusts who were better able to understand local needs and had fewer restrictions to how they work, compared with local authorities.¹⁶⁰ Mark Robinson, Chair of the High Streets Task Force (HSTF), noted that anyone who was a local leader, including people representing businesses and community groups, should be empowered and that successful place-based partnerships were often established by local leaders.¹⁶¹ Mr Wheelhouse also told us: "It is not always necessary for the public sector to take the lead."¹⁶²
- 84. Nevertheless, there was a consensus amongst our witnesses that even where change was being driven by others within the community, local authorities had "an absolutely critical role"¹⁶³ and that, owing to their statutory functions, they would always be involved in matters related to the high street.¹⁶⁴ We heard that Ashton-in-Makerfield provided a good example of this working well (see Box 5).

¹⁵⁶ David Rudlin et al, *High Street: How Our Town Centres Can Bounce Back from the Retail Crisis* (London: RIBA Publishing, 2023), p 217

^{157 &}lt;u>Q 47</u> (Graham Wilson)

¹⁵⁸ Supplementary written evidence from the Institute of Place Management (<u>HSC0062</u>); see also <u>Q 13</u> (Professor John Tomaney)

¹⁵⁹ Q 13 (Professor John Tomaney)

¹⁶⁰ Written evidence from Historic England (<u>HSC0053</u>)

^{161 &}lt;u>Q 147</u> (Mark Robinson)

^{162 &}lt;u>Q 161</u> (Peter Wheelhouse)

¹⁶³ Q 89 (Kate Nicholls)

¹⁶⁴ For example: written evidence from Primark (<u>HSC0047</u>); the LGA (<u>HSC0019</u>); Professor Matthew Carmona (<u>HSC0006</u>) Graham Galpin (<u>HSC0009</u>); supplementary written evidence from Power to Change (<u>HSC0035</u>); supplementary written evidence from the BBPA (<u>HSC0018</u>)

Box 5: Ashton-in-Makerfield

Ashton is a market town of 29,000 people in the Metropolitan Borough of Wigan which struggles with traffic congestion on the narrow high street, exacerbated by HGVs exiting the M6 nearby. Local people previously described the high street as lacking identity, being largely composed of chain stores without many independent shops or a market square despite a strong local business community. Local residents expressed frustration that although the marketplace was used as a car park, the high street still experienced low footfall and there was a lack of a 'heart' to the town.

In response to these challenges, in 2022 the council took the lead in building partnerships with the local community and supported the local voluntary sector and businesses. With the support of the High Streets Task Force, it set up the Ashton Innovation Board in 2023 and called for people to join, in order to provide a structure for local people to give their input and to build extra capacity from the bottom up. After being awarded £6.6 million from the Capital Regeneration Programme in the spring budget in 2023, the board has recruited further members from faith groups, schools and emergency services to ensure it is fully representative of the community.¹⁶⁵ It is now working in partnership with the council to shape the funding priorities and plans to improve the town in the future.

Source: HSTF, Press Release: Ashton-in-Makerfield: Leading in Partnership on 6 October 2023: <u>https://www.highstreetstaskforce.org.uk/latest-case-studies/ashton-in-makerfield-leading-in-partnership/</u>; supplementary written evidence from the HSTF (<u>HSC0063</u>)

- 85. Local authorities are not the only organisations able to drive change on the high street, but they are central to the process.
- 86. Anyone looking to reform high streets should involve the local authority at an early stage and develop a shared vision. Where a local authority is seeking to lead change it must work in partnership with landlords, business owners and the local community.

Government

87. High streets often face local issues and require local solutions; however, the Government still has a vital role in their success. The overall policy framework within which local authorities operate is largely set at a national level. This is particularly true for planning policy where the National Planning Policy Framework and associated Planning Policy Guidance sets out the Government's economic, environmental and social planning policies for England and forms the basis of more detailed plans and decisions taken by local authorities.¹⁶⁶ Beyond policy decisions, the Government provides substantial capital and resource funding to local authorities for the purposes of high street and town centre renewal. Chapters 4 and 5 discuss in greater detail the role of the Government and the impact its policy and funding decisions can have on high streets.

¹⁶⁵ Department for Levelling Up, Housing and Communities, *Capital regeneration projects: accounting officer assessment* (updated 30 October 2024): <u>https://www.gov.uk/government/publications/dluhc-accounting-officer-assessments/capital-regeneration-projects-accounting-officer-assessment</u> [accessed 23 August 2024]

¹⁶⁶ Ministry of Housing, Communities and Local Government, National Planning Policy Framework (updated 20 December 2023): <u>https://www.gov.uk/government/publications/national-planning-policy-framework--2</u> [accessed 23 August 2024]

36 HIGH STREETS: LIFE BEYOND RETAIL

88. Multiple Government departments are involved in work on the country's high streets. The funding programmes we heard about during the course of this inquiry included a range delivered by the now Ministry of Housing, Communities and Local Government (MHCLG) and the Department for Culture, Media and Sport and are detailed in Appendix 4. The majority of these are managed by MHCLG. The Department of Business and Trade and the Treasury all manage policy areas, including taxation, which influence the retail sector, and wider high street, as well.¹⁶⁷ The Association of Town and City Management emphasised a need for "breaking down silos between different Government departments to develop holistic strategies that address the various multifaceted challenges" facing high streets.¹⁶⁸

¹⁶⁷ Written evidence from Primark (HSC0047)

¹⁶⁸ Written evidence from the Association of Town and City Management (<u>HSC0057</u>)

CHAPTER 4: WHAT POLICY LEVERS CAN BE PULLED?

89. This chapter considers the role of local and national policy choices in shaping high streets. Funding programmes that support specific high street renewal activity are considered in Chapter 5.

Planning

90. Local planning policy impacts where and how developers build new retail developments. Through the planning system, Local Planning Authorities (LPAs) can influence the mix of businesses on the high street and to some extent support certain businesses over others to meet wider societal goals. Local authorities have a more reactive rather than propositional role with regards to planning applications, in that if they reject an application, require revisions or impose conditions, the developer or business may move on to another location, and they cannot actively force a company or sector to exist in their area.

Use Class E

- 91. In September 2020, the then Government amalgamated a number of 'Use Classes' within the planning system into a single Use Class E to increase flexibility in building usage and revitalise city centres. Use Class E is a broad category of commercial, business and service uses and allows change in use across these areas without the need to apply for planning permission. For example, a retail shop could be converted into a café. Pubs and bars are not included.
- 92. We heard concerns, including from Lords Minister for Housing and Local Government, that the introduction of such a broad Use Class has made it more difficult for local authorities to apply frontage policies to their high streets and has "resulted in lots of the same types of occupants in small areas".¹⁶⁹ One student told us that the replacement of empty units with offices in their home town meant that "it doesn't have a high street anymore".¹⁷⁰ In Epsom, the introduction of Use Class E undermined its town centre planning policy which was protecting retail frontages and had been credited with helping to regenerate the town centre.¹⁷¹ The council had been maintaining a specific mix of uses on the high street to ensure retail vibrancy, but it concluded this was not possible following the introduction of the new Use Class.¹⁷² Furthermore, RICS and Brighton and Hove City Council noted that the introduction of a single Use Class could inadvertently lead to out-oftown commercial centres such as offices being converted into retail outlets, which compete with the high streets and are not subject to the sequential tests required for new out-of-town retail development.¹⁷³
- 93. However, many witnesses suggested that introducing a broader Use Class has allowed high streets to adapt more quickly to changing consumer

¹⁶⁹ Written evidence from Brighton & Hove City Council, the Brighton & Hove Economic Partnership and the Brilliant Brighton BID (<u>HSC0029</u>), and Vicky Payne and David Rudlin (<u>HSC0026</u>); <u>Q 220</u> (Baroness Taylor of Stevenage)

¹⁷⁰ High streets in towns and small cities: Engagement note (20 May 2024): <u>https://committees.</u> parliament.uk/publications/44828/documents/222719/default/

¹⁷¹ Written evidence from Vicky Payne and David Rudlin (<u>HSC0026</u>)

¹⁷² David Rudlin et al, High Street: How Our Town Centres Can Bounce Back from the Retail Crisis (London: RIBA Publishing, 2023) p 214

¹⁷³ Written evidence from RICS (<u>HSC0033</u>) and Brighton & Hove City Council, the Brighton & Hove Economic Partnership and the Brilliant Brighton BID (<u>HSC0029</u>)

preferences and the closure of major high street chains.¹⁷⁴ Mr Wheelhouse said: "It has kept things moving at a pace that can only be positive for the town centre."¹⁷⁵ The Shopkeepers' Campaign also said it had reduced the bureaucratic burden associated with reallocating property use and had given more autonomy to the local economy to respond swiftly to market forces.¹⁷⁶ With regards to controlling the types of businesses on the high street, Sir John stated that he was open to different types of uses if it made the high street busy and full, stating: "I would not turn my nose up at anyone next door."¹⁷⁷ Dr Cath Jackson *et al* suggested that this, or another, new Use Class could have an even greater impact if expanded to include cinemas, concert halls and other leisure uses that are perhaps better suited to taking space in large shopping centres.¹⁷⁸

94. Although there is a range of views, the introduction of Use Class E in the planning system has made high streets more adaptable to changing consumer trends. The Government should explore expanding the scope of Use Class E, or expanding another Use Class, to support the renewal of large shopping centres for other leisure purposes.

Permitted development rights

- 95. Permitted development rights (PDRs) allow certain building works and changes of use to take place without having to submit a planning application. The Government's policy on PDRs for converting Use Class E properties to housing has changed regularly over the last four years, alternately expanding, retracting and again expanding access to PDRs. Most recently, in February 2024, the then Government extended PDRs and lowered the threshold for converting Use Class E properties to housing so that commercial buildings of any size could be converted.¹⁷⁹ It also removed the requirement for a property to have been empty for three months. These changes were expected to deliver an additional 1,700 residential units by 2029–30.¹⁸⁰
- 96. A mix of uses on the high street, including housing, can help to ensure resilience; however, we heard that allowing conversion through PDRs removes the ability for local authorities to curate their spaces.¹⁸¹ Councillor Slade told us:

"... permitted development rights have caused huge problems. They are also creating a lot of community tension. Residents feel completely disempowered when councils have to tell them that there is nothing they can do."¹⁸²

¹⁷⁴ Written evidence from the Shopkeepers' Campaign (<u>HSC0023</u>); Dr Cath Jackson et al University of Sheffield (<u>HSC0032</u>); UWE Bristol (<u>HSC0046</u>)

¹⁷⁵ Q 172 (Peter Wheelhouse)

¹⁷⁶ Written evidence from the Shopkeepers' Campaign (HSC0023)

¹⁷⁷ Q 22 (Sir John Timpson)

¹⁷⁸ Written evidence from Dr Cath Jackson et al University of Sheffield (HSC0032)

¹⁷⁹ Explanatory Memorandum to the Town and Country Planning (General Permitted Development) (England) (Amendment) Order 2024 (SI 2015/596)

¹⁸⁰ Secondary Legislation Scrutiny Committee, <u>Drawn to the special attention of the House: Statement of changes in Immigration Rules (HC 556) Correspondence: Letters from DESNZ and DLUHC</u>(16th Report, Session 2023–24, HL Paper 78), pp 8–9

^{181 &}lt;u>Q 50</u> (Michael Weedon) and <u>Q 103</u> (Councillor Vikki Slade)

^{182 &}lt;u>Q 105</u> (Councillor Vikki Slade)

- 97. This inability to control the loss of retail frontages altogether could result in 'gap-toothed' high streets.¹⁸³ Interspersing town centres with "dead" retail frontages "may actually reduce the attractiveness and retail footfall rather than enliven it."¹⁸⁴ The then Government was aware of these risks when expanding PDRs in February 2024. In July 2021, the then Secretary of State for Housing, Communities and Local Government announced a higher threshold for converting commercial units to residential use, describing the "loss of the essential core of a primary shopping area which would seriously undermine its vitality and viability" as "unacceptable".¹⁸⁵
- It was acknowledged amongst our witnesses that "there is a need for a 98. mechanism to enable conversion of surplus retail space to other uses"¹⁸⁶ and RICS suggested that the conversion of long-vacant units into residential properties prevented buildings falling into disrepair and revitalised high streets.¹⁸⁷ In particular, introducing housing on the upper stories of retail premises could serve to make high streets feel safer and livelier, especially in evenings. However, PDRs, especially with no vacancy requirement before the conversion, were said to "cut across any attempt at joined-up thinking".¹⁸⁸ We also heard that the approach was likely to be unnecessary, as the planning system was willing to allow a high street to flex and change but would deliver this in a more coherent and effective way.¹⁸⁹ For example, Professor Matthew Carmona suggested that more proactive planning could see the densification of retail in specific priority areas and allow the controlled shrinkage of retail and conversion to housing: "planned shrinkage can encourage an intensification in the frontage that remains-including by building residential over and behind retail and thus avoiding the problem of permanent holes appearing in frontages".¹⁹⁰
- 99. The expansion of permitted development rights to convert Use Class E properties into homes risks damaging the vitality of high streets and reduces local control over the design and development of high streets. The Government should undertake a review of the policy to examine the impact it is having on high streets relative to the number and quality of new homes delivered.
- 100. Where it is necessary to ensure the vitality of the area, Local Planning Authorities should make use of Article 4 directions to remove permitted development rights for ground floor retail units in high streets and major retail centres designated within their local plan. Such directions can be used as a targeted tool to allow for the concentration of retail on high streets.

Local plans and out-of-town shopping

101. Local planning policy impacts where and how developers build new retail developments. Patrick Melia, CEO of Sunderland City Council, emphasised to us that a key requirement for success in town centre renewal was a vision

¹⁸³ Written evidence from Professor Matthew Carmona (HSC0006)

¹⁸⁴ Written evidence from Vicky Payne and David Rudlin (<u>HSC0026</u>)

¹⁸⁵ Written statement <u>HCWS145</u>, Session 2021–22

¹⁸⁶ Written evidence from Vicky Payne and David Rudlin (<u>HSC0026</u>)

¹⁸⁷ Written evidence from RICS (<u>HSC0033</u>)

¹⁸⁸ Written evidence from NALC (<u>HSC0045</u>)

^{189 &}lt;u>Q 139</u> (David Rudlin)

¹⁹⁰ Written evidence from Professor Matthew Carmona (<u>HSC0006</u>)

that is backed up by Supplementary Planning Guidance.¹⁹¹ Through this, LPAs can influence the mix of businesses on the high street and seek to meet wider societal goals such as promoting public health or ensuring that the community is suitably served. Whilst plans for high streets and town centres may be spread between multiple frameworks or masterplans, the Local Plan and its associated Supplementary Planning Guidance remains the central strategic tool for setting out the framework for an area and providing clarity to stakeholders.¹⁹² In particular, local plans can help to balance a place's long-term vision with short-term pressures across a broader geographic area, understanding how developments in different parts of a local authority will impact on towns, villages and cities in the area.¹⁹³ Local authorities must designate high streets and major retail centres within their plans.¹⁹⁴

- 102. We were told that the presence of out-of-town retail and leisure centres could have a significant impact on the success of a local high street. In Staines-upon-Thames local business owners were clear that one reason the town centre continued to thrive in comparison with other local high streets was because of a "uniquely tight planning policy" that restricted out-of-town shopping centres.¹⁹⁵ Moreover, Professor Tomaney cited the introduction of an out-of-town shopping centre in Bishop Auckland as having caused the high street to go into "precipitous decline".¹⁹⁶ Andrew Malley, then Retail Property Director at Dransfield Properties, agreed with this sentiment, suggesting that one of the main things that would disincentivise Dransfield Properties from investing in a town centre would be an established out-of-town retail centre, or plans to introduce one.¹⁹⁷ The Institute for Place Management was also clear that "the vitality and viability of town centres is impacted by edge-of-town and out-of-town development".¹⁹⁸
- 103. The balance between in- and out-of-town retail and leisure spaces has shifted over the last half-century. During the 1980s and early 1990s there was a rise in approval of new out-of-town or edge-of-town shopping centres, with national planning guidance encouraging their development.¹⁹⁹ Subsequently, the introduction in 1996 of a strengthened Planning Policy Guidance 6, introduced a strong town-centre-first planning policy, reversed this trend and led to far greater investment in high streets that "effectively put a stop to out-of-town development".²⁰⁰
- 104. Under the previous Government, the Department for Levelling Up, Housing and Communities provided guidance on "planning policy for town centre vitality and viability", specifically on assessing proposals for out-of-centre

^{191 &}lt;u>Q 173</u> (Patrick Melia)

¹⁹² Written evidence from the University of Sheffield (HSC0049)

¹⁹³ Written evidence from the Design Council (<u>HSC0043</u>); Artspace Lifespace (<u>HSC0011</u>); the British Property Federation (<u>HSC0037</u>)

¹⁹⁴ Written evidence from the LGA (<u>HSC0019</u>)

¹⁹⁵ High streets in towns and small cities: Staines-upon-Thames visit note (22 August 2024): https:// committees.parliament.uk/publications/45285/documents/224326/default/

¹⁹⁶ Q 5 (Professor John Tomaney)

^{197 &}lt;u>Q 189</u> (Andrew Malley)

¹⁹⁸ Written evidence from the Institute of Place Management (<u>HSC0020</u>)

 ¹⁹⁹ Department for Business Innovation & Skills, Understanding High Street Performance (December 2021)
 : https://assets.publishing.service.gov.uk/media/5a797e8140f0b63d72fc64c5/11-1402-understandinghigh-street-performance.pdf [accessed 22 November 2024]

²⁰⁰ Written evidence from Vicky Payne and David Rudlin (<u>HSC0026</u>); see also <u>Q 185</u> (Mark Dransfield)

development.²⁰¹ The guidance is in line with Section 7 of the National Planning Policy Framework (NPPF) and states that out-of-town centre sites should be considered only if suitable sites within the town centre or on the edge of the town centre are unavailable.²⁰² Local authorities assessing planning proposals for uses that are considered by the NPPF as "main town centre uses"²⁰³ must subject the proposals to a sequential test. The test asks whether the applicant has considered sites within the town centre; if the proposed use can be accommodated on town centre sites; and if not, what sites closest to the centre have been considered. If the proposal has multiple options that are at the edge of or out of the centre, preference should be given to sites most well connected to the centre. Morecambe Town Council stated that a town-centre-first approach to planning had "encouraged a focus on town centres and high streets as the primary locations for retail, commercial and leisure activities".²⁰⁴ Primark agreed that the NPPF and guidance had provided a long-established town-centre-first framework for the location of retail.205

- 105. The success of these policies is dependent on the capacity of local planning departments and the willingness of developers in the private sector to submit planning applications for the relevant sites. We heard that the sequential test had acted as "a deterrent where it was a weak case" but that there had been less stringent application of these tests.²⁰⁶ This was attributed to a potential focus on seeking local jobs and regeneration from local authorities and precedent which had been set by successful planning appeals.²⁰⁷ The Design Council told us that "the discretionary nature of the planning system also means that policy compliance often ends up in a 'horse-trading' negotiation, exploited by the biggest and most well-resourced developers".²⁰⁸ Local authorities are in competition with each other to attract development: they are faced with balancing the challenges of needing to attract businesses and greater economic activity whilst considering broader public objectives and maintaining the characteristics of a particular area. The issues of both capacity and skills within local planning authorities were raised as factors limiting the ability to deliver successful high street projects.²⁰⁹
- 106. Ministers told us that the new Government views the balance between outof-town and high street retail as a local decision and optimistically suggested that, with enough growth, both types of retail centre would be able to thrive.²¹⁰
- 107. High streets do not function in isolation and the introduction of new out-of-town retail and leisure centres can have a significant negative impact on the vitality of a local high street.

²⁰¹ Ministry of Housing, Communities and Local Government and Department for Levelling up, Housing and Communities, *Town centres and retail* (updated 18 September 2020): <u>https://www.gov.uk/guidance/ ensuring-the-vitality-of-town-centres</u> [accessed 23 August 2024]

²⁰² Ministry of Housing, Communities and Local Government, and Department for Levelling up, Housing and Communities National Planning Policy Framework (updated 20 December 2023): <u>https://www.gov.uk/government/publications/national-planning-policy-framework--2</u> [accessed 23 August 2024]

²⁰³ Ibid.

²⁰⁴ Written evidence from Morecambe Town Council (HSC0048)

²⁰⁵ Written evidence from Primark (<u>HSC0047</u>)

²⁰⁶ **Q 191** (Andrew Malley)

²⁰⁷ Ibid.

²⁰⁸ Written evidence from the Design Council (<u>HSC0043</u>)

²⁰⁹ Written evidence from the LGA (HSC0019) and the British Property Federation (HSC0037)

^{210 &}lt;u>Q 208</u> (Baroness Taylor of Stevenage)

- 108. When approving new developments and considering how to regenerate their high streets, local authorities should ensure that they are complementary to and optimise the unique offering that high streets can bring to a community. New retail centres must be considered in the wider strategic context of what else is available and accessible in the local area.
- 109. The Government should maintain its town-centre-first retail policy within the National Planning Policy Framework. Local planning Authorities should clearly set out in their Local Plan in what circumstances out-of-town developments would be permitted, and they should robustly apply the sequential test set out in the National Planning Policy Framework.

Taxation

Business rates

- 110. Business rates are levied on all commercial properties and are the product of each property's rateable value (assigned based on the annual rent of the property) and the 'multiplier' (set by the Government). Following the Non-Domestic Rating Act 2023, a revaluation process will take place every three years.²¹¹ In 2022/23, local authorities retained 62 per cent of business rates which accounted for around a quarter of all council spending.²¹²
- 111. Businesses have been critical of the scale of rates, with the Shopkeepers' Campaign describing them as "unsustainably high",²¹³ and RICS told us their members "consistently tell us that high levels of business rates are the number one barrier to the reoccupation of empty retail property".²¹⁴ The scale of rates was particularly noted as prohibitive in comparison to the tax burden faced by online retailers.²¹⁵ There are currently 13 different types of business rates relief including a \pounds 4.3 billion package announced at the 2023 autumn statement for a five-year extension to the Retail, Hospitality and Leisure Business Rates Relief.²¹⁶ Beyond this, local authorities are able to offer discretionary rates relief schemes, but Artspace Lifespace noted that the schemes may be halted by councils owing to financial pressures.²¹⁷ These relief schemes were described by witnesses as "invaluable"²¹⁸ and "a critical lifeline".²¹⁹
- 112. The Local Government Association criticised the current centralised approach to relief schemes, suggesting that it is "not targeted" and that "if local authorities had more discretion ... They would be able to help local and independent businesses".²²⁰ Businesses in receipt of relief schemes were also critical of the current approach, deeming it "too complicated

²¹¹ Non-Domestic Rating Act 2023

²¹² Written evidence from the LGA (HSC0019)

²¹³ Written evidence from the Shopkeepers' Campaign (HSC0023)

²¹⁴ Written evidence from RICS (HSC0033)

²¹⁵ Q 87 (Kate Nicholls), QQ 29-30 (Sir John Timpson), Q 53 (Michael Weedon); written evidence from the National Hair and Beauty Federation (<u>HSC0017</u>); the LGA (<u>HSC0019</u>) UKHospitality (<u>HSC0040</u>); NALC (<u>HSC0045</u>)

²¹⁶ HM Government, 'Business rates relief': <u>https://www.gov.uk/apply-for-business-rate-relief/retail-discount</u> [accessed 12 September 2024]

²¹⁷ Written evidence from Artspace Lifespace (<u>HSC0011</u>)

²¹⁸ Written evidence from National Hair & Beauty Federation (<u>HSC0017</u>)

²¹⁹ Written evidence from British Beer and Pub Association (HSC0018)

²²⁰ Written evidence from the LGA (HSC0019)

and unpredictable".²²¹ In particular, the short-term basis of some relief schemes drives short-term decision-making and introduces tipping points in specific sectors.²²² The Retail, Hospitality and Leisure Business Rates Relief provides 75 per cent off business rates bills for the 2024/25 financial year up to a maximum of £110,000, which can be difficult for larger businesses such as Wilko and The Body Shop which have faced high profile financial difficulties.²²³

- 113. Regarding the specific impact on high streets, we heard that the business rates system "penalises town centre uses compared with out-of-town premises" as rateable values (used to calculate the amount of business rates owed) are often far lower in out-of-town centres.²²⁴ Furthermore, Mr Weedon highlighted that the targeting of reliefs can change what types of stores are more likely to be present on a high street, saying that the increase in charity shops in towns "shows that low business rates can definitely produce a large market of small businesses ... in towns".²²⁵ Charity shops receive exemptions from business rates alongside often having lower staff costs owing to the use of volunteers.²²⁶ Another specific example was the permanent Empty Property Relief for listed buildings, which the National Association of Local Councils (NALC) suggested may encourage owners to keep them empty. The process for rates revaluation and time limits on the Empty Property Relief were also cited as barriers to converting the upper floors of retail space to housing and repurposing large retail units.²²⁷ Finally, local markets, the majority of which are run by local authorities, are subject to business rates. Outside the Greater London Authority, legislation governing local authority finances prevents a local authority from providing business rates relief to a market it owns and operates.²²⁸ Mr Wilson argued that this disparity was unjustified and that "some sort of consideration [should be] given to the position of markets, given their role in the local community".²²⁹
- 114. We received a wide range of suggestions for reforming the business rates system. This included introducing a dedicated hospitality sector multiplier,²³⁰ extending relief and removing the cap on access to reliefs,²³¹ extending empty rates relief,²³² a reduction in all baseline rates,²³³ and altering valuation processes to give a better reflection of profitability or turnover.²³⁴ Overall, witnesses were consistent in their views that the current approach to business rates was causing challenges for retailers on high streets and favouring outof-town retail parks, but there was little consensus on a solution to these

234 Q 52 (Michael Weedon)

²²¹ Written evidence from the Shopkeepers' Campaign (<u>HSC0023</u>) and UKHospitality (<u>HSC0040</u>)

²²² Written evidence from UKHospitality (HSC0040)

²²³ HM Government, 'Business rates relief': <u>https://www.gov.uk/apply-for-business-rate-relief/retail-discount</u> [accessed 23 August 2024]; written evidence from the Shopkeepers' Campaign (<u>HSC0023</u>)

²²⁴ Q 189 (Mark Dransfield); written evidence from the Shopkeepers' Campaign (<u>HSC0023</u>) and the High Streets Research Network (<u>HSC0014</u>)

²²⁵ Q 43 (Michael Weedon)

²²⁶ HM Government, 'Business rates relief': <u>https://www.gov.uk/apply-for-business-rate-relief/retail-discount</u> [accessed 23 August 2024]; <u>Q 43</u> (Michael Weedon, Laura Onita)

²²⁷ Written evidence from NALC (<u>HSC0045</u>); Graham Galpin (<u>HSC0009</u>); the British Property Federation (<u>HSC0037</u>)

²²⁸ Q 52 (Graham Wilson); supplementary written evidence from Graham Wilson (HSC0005)

²²⁹ Q 52 (Graham Wilson)

²³⁰ Written evidence from British Beer and Pub Association (HSC0018)

²³¹ Written evidence from the Shopkeepers' Campaign (<u>HSC0023</u>) and British Retail Consortium (<u>HSC0027</u>)

²³² Written evidence from Colliers (HSC0028)

²³³ Written evidence from the Royal Borough of Kensington and Chelsea (HSC0051)

concerns or how these changes would interact with the role business rates play in funding local authorities.

- 115. In the Labour Party Manifesto, published ahead of the 2024 General Election, it committed to reviewing the business rates system, identifying that the current approach "disincentivises investment, creates uncertainty and places an undue burden on our high streets."235 In the October 2024 budget the Chancellor of the Exchequer announced: a continuation of the retail, hospitality and leisure properties business rates relief and the introduction of a permanent lower tax for such properties with rateable values under $f_{2,500,000}$ from 2026/27; an intention to introduce a higher multiplier for properties with a rateable value above this threshold; and, a freezing of the small business multiplier for 2025/26.²³⁶ Alongside this a discussion paper, 'Transforming business rates', was published setting out the Government's priorities for changing the system over the course of the Parliament. The intention of any changes would be to protect the high street, encourage investment and "creating a fairer system."237 The proposals set out in the paper reflect a number of the concerns we heard during the course of this inquiry.²³⁸ The paper sets out an initial consultation timeline until March 2025.
- 116. We welcome the Government's commitment to reconsidering the business rates system. The conclusions of this work should be announced by the end of 2025. As part of the review, the Government should consider and simplify the range of business rates relief schemes available to ensure that they are effectively supporting successful high streets.
- 117. The Government should seek to legislate to allow markets operated by local authorities outside London access to the same level of business rates relief available to those markets operated by local authorities within London.

Ownership and tenancies

Who owns the high street?

118. We heard that difficulties in identifying or contacting landlords is an obstacle to reopening empty units, especially considering their role in delivering a successful high street (described in Chapter 2). The High Streets Research Network was highly critical of what it described as "dysfunctional property ownership".²³⁹ It said some owners are unwilling to be contacted, which is a claim supported by the British Independent Retailers Association and David Moynihan, Head of Services at Locality. ²⁴⁰ Brighton and Hove City Council suggested that coordinating efforts to bring underused properties back into

²³⁵ Labour Party, Change: Labour Party Manifesto 2024 (June 2024): https://labour.org.uk/wp-content/ uploads/2024/06/Labour-Party-manifesto-2024.pdf [accessed 20 November 2024]

 ²³⁶ HM Treasury, Transforming Business Rates (October 2024): <u>https://assets.publishing.service.gov.uk/media/67212a5f4da1c0d41942a8c1/Transforming_Business_Rates.pdf</u> [accessed 4 November 2024]
 237 Ibid.

²³⁷ Ibid. 238 Ibid.

²³⁹ Written evidence from the High Streets Research Network (HSC0014)

²⁴⁰ Written evidence from BIRA (<u>HSC0041</u>); see also written evidence from the High Streets Research Network (<u>HSC0014</u>); <u>Q 57</u> (David Moynihan)

use are hampered by the myriad of property ownership types and interests on its high street.²⁴¹

- 119. In his oral evidence to the committee, Mr Robinson advocated for a "deep dive into who owns the high street" to effect better policies and understand owner motivations.²⁴² The High Streets Research Network, Power to Change and Locality all emphasised that greater transparency of ownership would also benefit community groups seeking to purchase property to open community-led businesses.²⁴³ This would likely also benefit any other privately-owned businesses looking to open in the area.²⁴⁴ Councillor Brown told us that these challenges were also limiting local authorities' abilities to undertake compulsory purchase orders and other interventions on the high street.²⁴⁵
- 120. The Government should provide funding to local authorities to maintain an ownership and occupier database for commercial properties within areas designated a high street or major retail centre in their Local Plan.

High street rental auctions

- 121. Looking to address the issue of long-term vacant units on local high streets, the Levelling Up and Regeneration Act 2023 introduced High Street Rental Auctions (HSRA).²⁴⁶ These are intended to give local authorities the power to require landlords to auction out the rental rights of vacant units in a designated high street or town centre via an auction mechanism.
- 122. We heard that the proposal could help to tackle persistent vacancies but that it may be unsuccessful if local authority resources are not available to undertake the auction effectively.²⁴⁷ Both the Local Government Association and the Institute for Place Management added that the powers would need to be considered within the wider context of why there are persistent vacancies in a space, rather than being treated in isolation.²⁴⁸ Mr Robinson suggested that, when enacted, the powers were unlikely to see an immediate step change in the number of vacant properties being brought back into use. However, he thought they would provide place leaders with the ability to engage with obstructive property owners and would be "a welcome extra tool".²⁴⁹ He also advocated for considering giving local authorities more powers to compel landlords to bring properties back into use or the levying of fines on long term vacant properties on high streets.²⁵⁰

²⁴¹ Written evidence from Brighton & Hove City Council, the Brighton & Hove Economic Partnership and the Brilliant Brighton BID (<u>HSC0029</u>)

^{242 &}lt;u>Q 156</u> (Mark Robinson)

²⁴³ Q 57 (David Moynihan); written evidence from the HSTF (<u>HSC0063</u>); supplementary written evidence from Power to Change (<u>HSC0052</u>)

²⁴⁴ Written evidence from the High Streets Research Network (<u>HSC0014</u>); Love Wavertree CIC (<u>HSC0022</u>); L4 Enterprises CIC (<u>HSC0025</u>)

²⁴⁵ Q 110 (Councillor Susan Brown); written evidence from Graham Galpin (HSC0009)

²⁴⁶ Levelling-up and Regeneration Act 2023, section 203

²⁴⁷ Supplementary written evidence from Power to Change (<u>HSC0052</u>)

²⁴⁸ Written evidence from Institute of Place Management (<u>HSC0020</u>); supplementary written evidence from Institute of Place Management (<u>HSC0062</u>); the LGA (<u>HSC0019</u>)

²⁴⁹ Q 156 (Mark Robinson)

²⁵⁰ Ibid.

- 123. In March 2023, the then Government launched a detailed consultation to inform the design of the HSRA policy.²⁵¹ In its May 2024 consultation response, the then Government anticipated the legislation coming into force in mid-2024 following the release of detailed guidance; however, progress on this was presumably impacted by the July 2024 General Election.²⁵² Alongside the enactment of these powers, it was proposed that eight local authorities ('trailblazers') would work with the Government to implement the policy so that strategic feedback could be gathered. On 11 November 2024, the Government laid the statutory instruments necessary to introduce the HSRA powers; the powers will come into force on 2 December.²⁵³ The announcements makes no reference to 'trailblazer' authorities committed to under the previous Government.²⁵⁴
- 124. The Government should support local authorities to make use of the new High Street Rental Auction powers and should confirm if it will follow the pilot approach set out by the previous Government. If it is not taking this approach, the Government should explain why this is the case, how it will support local authorities instead, and what steps will be taken to review the impact of these new powers.

Local authority services and direct intervention

- 125. It is common for local authorities to own property on their high streets including commercial units, mixed-use buildings and other civic and heritage assets. In its analysis of 3,200 retail premises, conducted in 2019, the Estates Gazette found that the public sector was the third-largest owner of UK high street properties, at around 16.6 per cent.²⁵⁵ In some areas, such as the city of Bristol, this rose to over 90 per cent.²⁵⁶ When acting as landlords, local authorities can take a "proactive" and more interventionist approach to managing their local high streets.²⁵⁷
- 126. As major retailers have exited high streets and town centres, some local authorities have chosen to purchase their local shopping centres seeking to ensure continued vitality for centres. For example, Spelthorne Borough Council took back the long lease on the Elmsleigh shopping centre in Staines-upon-Thames and successfully created a social hub for the community.²⁵⁸ In Stockton-on-Tees the council acquired the Castlegate Shopping Centre in order to replace it with a park.²⁵⁹ Similarly, in Barnsley, the local authority

²⁵¹ Department for Levelling Up, Housing and Communities, *High street rental auctions* (14 May 2024): https://www.gov.uk/government/consultations/high-street-rental-auctions/high-street-rentalauctions [accessed 23 August 2024]

²⁵² Department for Levelling Up, Housing and Communities, *High street rental auctions consultation:* government response (updated 14 May 2024): <u>https://www.gov.uk/government/consultations/high-street-rental-auctions/outcome/high-street-rental-auctions-consultation-government-response#following-the-consultation-response</u> [accessed 23 August 2024]

²⁵³ Ministry of Housing, Communities and Local Government, Department for Business and Trade, Alex Norris MP and The Rt Hon Jonathan Reynolds MP Press release: *High streets to be revitalised with new legal powers* on 12 November 2024: <u>https://www.gov.uk/government/news/high-streets-to-be-</u> <u>revitalised-with-new-legal-powers</u> [accessed 20 November 2024]

²⁵⁴ Ibid.

^{255 &#}x27;Who owns the high street?', EG (16 May 2019): <u>https://www.egi.co.uk/news/who-owns-the-high-street/</u> [accessed 20 November 2024]

²⁵⁶ Ibid.

²⁵⁷ Written evidence from Professor Matthew Carmona (HSC0006)

²⁵⁸ High streets in towns and small cities: Staines-upon-Thames visit note (22 August 2024): <u>https://</u> <u>committees.parliament.uk/publications/45285/documents/224326/default/</u>

²⁵⁹ Stockton-on-Tees Borough Council, 'Demolition of Castlegate Shopping Centre': <u>https://www.stockton.</u> <u>gov.uk/article/6257/Demolition-of-Castlegate-Shopping-Centre</u> [accessed 12 September 2024]

oversaw the successful development of a central shopping centre (see Box 6). Local authorities can also use their compulsory purchase powers to acquire empty properties on the high street, but Mr Moynihan noted that opaque property ownership (as described above) could make this challenging.²⁶⁰

127. Taking ownership of a wider number of assets on a high street can allow local authorities to curate spaces with a masterplan designed to deliver a longer-term ambition. In some instances, local authorities could choose to minimise profits on rents or introduce more flexible leases than the private sector in order to shape the range of businesses on a high street.²⁶¹ Pop-up shops and 'meanwhile use' were cited frequently as valued short-term occupants of empty units that could benefit from such initiatives.²⁶² The LGA's post-pandemic study on creating resilient high streets argued that local authorities should use publicly-owned buildings to host events such as health, leisure and arts activities for the community.²⁶³ Whilst these actions could equally be taken by a private landlord (as described in Chapter 3), we heard that local authorities were more likely to do so in order to achieve wider social or economic aims for the area.

Box 6: Barnsley

The council in Barnsley purchased its shopping centre, including the covered market, office building and multistorey car park in the early 2000s. It developed ambitious recovery plans modelled on the Tuscan city of Lucca. After these did not progress, the council then went into partnership to develop a new, and more conventional, shopping centre anchored by Debenhams. This was hampered by the financial crisis and never commenced. Eventually, the council decided to take the lead and redevelop the centre alone with a more diverse range of uses. The masterplan included the creation of a new public open space and the extension and refurbishment of the market, a refurbishment of the metropolitan centre, a cinema, a shopping arcade and new parking. The f_{220} million Glass Works redevelopment project transformed the market, with the public square opening in 2021, and was funded using a combination of reserve funds and borrowing. The council's approach to financing included an acceptance that it would need to pay an ongoing subsidy to cover running costs, as an investment in the local economy and community. It also opened a new library and an NHS diagnostics centre on the site. More recently, Barnsley received $\pounds 10.2$ million from the Levelling Up Fund to create cultural and wellbeing facilities for young people in the town centre.

128. Successfully managing or regenerating commercial properties requires a specific set of skills. Representatives from Spelthorne Borough Council emphasised the need for internal experts with commercial expertise and

Source: Written evidence from the Institute of Place Management and the HSTF (<u>HSC0063</u>, <u>HSC0064</u>); David Rudlin et al, High Street: How Our Town Centres Can Bounce Back from the Retail Crisis (London: RIBA Publishing, 2023), p 173–174

^{260 &}lt;u>Q 57</u> (David Moynihan)

²⁶¹ David Rudlin et al, High Street: *How Our Town Centres Can Bounce Back from the Retail Crisis* (London: RIBA Publishing, 2023) p217

^{262 &}lt;u>Q 109</u> (Councillor Vikki Slade)

²⁶³ Local Government Association, *Creating resilient and revitalised high streets in the 'new normal'* (January 2022): <u>https://www.local.gov.uk/publications/creating-resilient-and-revitalised-high-streets-new-normal#resilient-high-streets-of-the-future</u> [accessed 23 August 2024]

mindset.²⁶⁴ We heard concerns about the skills and capacity within local authorities, although this was mostly focused on placemaking and planning skill sets.²⁶⁵ Last year, research by Public Practice found that 66 per cent of local government placemaking professionals felt they lacked sufficient time and skills to deliver on their authority's strategic objectives and that this limited the ability to develop effective partnership working.²⁶⁶

- 129. Owning property on the high street can give local authorities greater influence over the make-up of a town centre and provides opportunities to deliver wider social and economic aims for their local area.
- 130. Local authorities that already own assets on their local high street should ensure that they are being utilised to deliver the range of services and businesses wanted by local communities. This could include exploring innovative styles of lease, operating with reduced profit margins, or delivering public services on the high street.
- 131. Whilst commercial property acquisition can present exciting opportunities for local authorities, there are risks if insufficient expertise is accessed or held within the authority. The Government should ensure that local authorities seeking to acquire new commercial properties in their local area have accessed the appropriate expertise and are able to effectively manage a commercial development portfolio.
- 132. Local authorities can also work with local communities and local businesses to regenerate their area, but this may be hampered by a lack of the necessary policies. If a local authority deems a property that it owns surplus to requirements it can transfer the ownership to a community group through a Community Asset Transfer. Sites could also be acquired with this specific intention; for example, Coventry City Council used a compulsory purchase order to buy 27 buildings and sites in its town centre in order to preserve the city's heritage and regenerate its high streets.²⁶⁷ As part of its work the council has transferred a number of assets to the Historic Coventry Trust, which was created by Coventry residents in 2011, and the buildings are being converted to workspaces, galleries and affordable housing.²⁶⁸ However, Mr Moynihan noted that 55 per cent of local authorities do not have a community asset transfer policy.²⁶⁹ This limits the ability of local communities to step in and take over empty or underused properties on the high street.²⁷⁰
- 133. Local authorities should have community asset transfer policies to ensure transfers of ownership to a community group are possible where it is in the best interests of the local community.

²⁶⁴ High streets in towns and small cities: Staines-upon-Thames visit note (22 August 2024): <u>https://</u> <u>committees.parliament.uk/publications/45285/documents/224326/default/</u>

²⁶⁵ Written evidence from the LGA (<u>HSC0019</u>) Primark (<u>HSC0047</u>); University of Sheffield (<u>HSC0049</u>); supplementary written evidence from Power to Change (<u>HSC0035</u>; <u>HSC0052</u>); Institute of Place Management (<u>HSC0020</u>, <u>HSC0062</u>); supplementary written evidence from the HSTF (<u>HSC0063</u>)

²⁶⁶ Written evidence from Bill Grimsey (HSC0036)

²⁶⁷ Coventry City Council, 'City Centre South': <u>https://www.coventry.gov.uk/regeneration-1/city-centre-south/2</u> [accessed 12 September 2024]

²⁶⁸ Historic Coventry Trust, *Trustees' report and financial statements* (2022) p 9: <u>https://www.historiccoventrytrust.org.uk/wp-content/uploads/2022/11/20220729-HCT-ARA-2022_v8.pdf</u> [accessed 12 September 2024]

^{269 &}lt;u>Q 70</u> (David Moynihan)

Public service delivery

- 134. Public services, including libraries and health services, can draw people onto their local high street: "They may go to the doctors and then maybe to the library, they may do some shopping and buy some food, and then they go home. It is a multiple shop."²⁷¹
- 135. We heard that relocating public services with a high number of regular visitors to a town centre could increase footfall in that area and was likely to have knock-on benefits for local businesses.²⁷² For example, redirecting some journeys to work or health care settings to local high streets could have a positive knock-on effect for businesses in the area. In Poole, the town centre, which has been curated by a single landlord, has an NHS outpatients centre as well as a library and charity spaces. Councillor Slade said that this had "completely reinvigorated the town, despite the fact that only about a third of the space is retail".²⁷³
- 136. As well as boosting footfall to the benefit of local businesses, high streets are also a practical location for the delivery of the services themselves as they are often more accessible to local communities.²⁷⁴ In 2021, the Stockport NHS Foundation Trust proposed relocating some of the services delivered at the Stepping Hill Hospital to the site of a vacant department store in the town centre.²⁷⁵ A motion from the local council at the time supported these proposals in part because the town centre location would "be more accessible, close to public transport interchanges, and potentially contribute to levelling up and regenerating the Town Centre"²⁷⁶. The same is true of other council services: young people living in Lancaster told us that they would like to see greater library study provision in the town centre.²⁷⁷
- 137. Where a local authority owns sites on a high street it may be able to relocate some services more easily²⁷⁸. For example, following regaining control of the Elmsleigh Shopping Centre in Staines-upon-Thames, Spelthorne Borough Council is building a new library and museum on the site. It argues this will help to maintain footfall in the shopping centre, as well as draw shoppers towards the council services.²⁷⁹ This is also providing a viable use for a large empty unit in the shopping centre, which would have been difficult to repurpose or re-let. Vacant stalls in a local market can also be used to provide public services such as face-to-face banking, especially in places that may not be able to sustain a permanent presence. Mr Wilson told us:

"In many places, markets are taking on a more significant community role, from health team visits and mental health provision to providing

^{271 &}lt;u>Q 189</u> (Mark Dransfield)

²⁷² High streets in towns and small cities: Staines-upon-Thames visit note (22 August 2024): https:// committees.parliament.uk/publications/45285/documents/224326/default/

²⁷³ Q96 (Councillor Vikki Slade)

²⁷⁴ Supplementary written evidence from the HSTF (<u>HSC0063</u>) and <u>Q 201</u> (Baroness Taylor of Stevenage)

²⁷⁵ Written evidence from Vicky Payne and David Rudlin (HSC0026)

²⁷⁶ Stockport Metropolitan Borough Council, 'Agenda and minutes: Council Meeting—7 October 2021': <u>https://democracy.stockport.gov.uk/ieListDocuments.aspx?CId=140&MID=27426</u> [accessed 12 September 2024]

²⁷⁷ High streets in towns and small cities: Engagement note (20 May 2024): <u>https://committees.parliament.</u> <u>uk/publications/44828/documents/222719/default/</u>

²⁷⁸ Ibid.

²⁷⁹ High streets in towns and small cities: Staines-upon-Thames visit note (22 August 2024): https:// committees.parliament.uk/publications/45285/documents/224326/default/

a police facility. There is a long list of markets taking on a non-retail responsibility and filling a vacuum that is being left by banks and other providers in the town centre."²⁸⁰

- 138. The relocation of NHS services requires partnership working and capital investment from the Government, which is not always straightforward. The previous Government's Cavell Centre programme supported six pilot projects to build NHS centres designed to bring together health and social care services alongside GP practices and other services such as pharmacies and mental health support. In 2021 NHS Surrey Heartlands was successful in a bid to build one of these six NHS Cavell Centres, bringing together health and social care services in the town centre of Staines-upon-Thames.²⁸¹ We heard that the town centre site was chosen because it is both accessible to the local population and would help local businesses. After investment of several million pounds to prepare a planning application for the project, in 2023 the then Government announced that capital funding was no longer available.²⁸² Those involved felt that "the machinery of the state is obstructive" and the Department for Health and Social Care did not care about, or engage with, the wider benefits of the project despite the project supporting wider Government objectives.²⁸³ Similarly, the Stockport example of moving health services into a vacant department store has not received a decision on funding and the Council has now signed a five-year lease with a furniture store to ensure that the property does not remain vacant in the medium term.²⁸⁴
- 139. The new Government expressed support for the principle of health care, and other public services, moving to the high street suggesting that it "could only be a good thing" and that they expected for it to be a more regular occurence.²⁸⁵ No information was provided on how the Government would actively be supporting this transition. As part of the Autumn 2024 Budget, the Government announced £26 million to open new mental health crisis centres and the creation of a dedicated fund for upgrading GP surgeries.
- 140. People wish to have a mix of provisions on the high street. The provision of public services, including health services, is increasingly seen by local authorities, the NHS and communities as having a role on the high street.
- 141. As well as boosting NHS capacity and meeting the needs of local communities, health centres could act as new 'anchor' sites for high streets and bring in more people to the local high street.
- 142. The Government should set out whether they intend to encourage moving more NHS health services to the high street, including the new mental health crisis centres announced in the Autumn 2024 Budget, and, if so, how they will do so.

²⁸⁰ Q41 (Graham Wilson)

²⁸¹ Surrey Heartlands, 'Staines Health and Wellbeing Centre: Status update', May 2024': <u>https://www.</u> <u>surreyheartlands.org/staines-health-and-wellbeing-centre</u> [accessed 12 September 2024]

²⁸² High streets in towns and small cities: Staines-upon-Thames visit note (22 August 2024): https:// committees.parliament.uk/publications/45285/documents/224326/default/

²⁸³ Ibid.

^{284&#}x27;Stockport Council finds tenant for empty Debenhams', Place North West (30 January 2024): https://www.placenorthwest.co.uk/stockport-council-finds-tenant-for-empty-debenhams/ [accessed 20 November 2024]

^{285 &}lt;u>Q 217</u> (Alex Norris MP)

- 143. In reviewing business cases for the building, or opening, of new government services (such as health care centres, libraries and sport centres) the Government should ensure that wider public benefits are included in its assessment, including those supporting the ambitions held within other Government departments.
- 144. New public services including libraries, diagnostic centres and local government buildings should be located on the high street in the first instance, with the same sequential test applied to retail being applied to these services. The Government should amend the National Planning Policy Framework to reflect this.

CHAPTER 5: WHO PAYS?

- 145. The Government provides funding support to local authorities across the country seeking to revive and regenerate their high streets and town centres. This funding is split between a range of different projects and programmes and across departments. Appendix 4 details a list of those programmes announced by the previous Government that we have identified during the course of this inquiry.
- 146. The National Audit Office (NAO) published a report considering the value for money of three of these funding programmes in November 2023.²⁸⁶ The report focused on the Towns Fund, the Levelling Up Fund and the UK Shared Prosperity Fund, and it considered the expenditure and progress of projects for each fund up to 31 March 2023. On 15 March 2024, the House of Commons Public Accounts Committee (PAC) published the report from its inquiry into the issues raised by the NAO.²⁸⁷ The NAO concluded that the Department for Levelling Up, Housing and Communities (DLUHC) had "a poor understanding of what had worked in its previous local growth programmes and was not well placed to manage the increase in grant-making required by the programmes." ²⁸⁸ It also concluded that the department was "slow to agree funding" which "led to many projects needing to be adjusted or rescoped"289 and the PAC echoed those views.290 Both concluded that the application processes were inefficient and that the reporting requirements imposed a disproportionately large burden on local authorities. We received evidence on the programmes considered by the NAO and a number of other Government programmes. Witnesses raised similar concerns to those found by the NAO and PAC.
- 147. After we had completed taking evidence for this inquiry, the Government announced the Autumn 2024 Budget. Whilst the budget included confirmation that core Levelling Up Fund projects would be supported and the Long-Term Plan for Towns would be retained in some form, it confirmed that there would be wider local growth funding reform.²⁹¹ As well as building on the conclusions of the NAO and PAC, this chapter is intended to capture the key lessons to be learned from previous programmes.

A patchy and uncoordinated landscape of multiple funds

148. We heard that the multiple funding programmes were uncoordinated and had overlapping objectives: "Each [programme] is a well-meant bit of public investments ... but our [the new Government's] analysis is that it is less than the sum of its parts."²⁹² This was making it confusing for local authorities and

²⁸⁶ National Audit Office, Levelling up funding to local government, HC 191, Session 2023–24 (17 November 2023): <u>https://www.nao.org.uk/wp-content/uploads/2023/11/levelling-up-funding-to-local-government.pdf</u> [accessed 20 November 2024]

²⁸⁷ Committee of Public Accounts, <u>Levelling up funding to local government</u> (Twenty-First Report, Session 2023–24, HC 424)

²⁸⁸ National Audit Office, Levelling up funding to local government, HC 191, Session 2023–24 (17 November 2023): https://www.nao.org.uk/wp-content/uploads/2023/11/levelling-up-funding-tolocal-government.pdf [accessed 20 November 2024]

²⁸⁹ Ibid.

²⁹⁰ Committee of Public Accounts, <u>Levelling up funding to local government</u> (Twenty-First Report, Session 2023–24, HC 424)

²⁹¹ National Audit Office, Levelling up funding to local government, HC 191, Session 2023–24 (17 November 2023): <u>https://www.nao.org.uk/wp-content/uploads/2023/11/levelling-up-funding-tolocal-government.pdf</u> [accessed 20 November 2024]

^{292 &}lt;u>Q 201</u> (Alex Norris MP)

difficult for them to plan their applications to secure the best value. Although many of these funds had similar aims, they were not designed in a coherent manner and the programmes were announced separately.²⁹³ According to the NAO, this meant that "local authorities could not plan their bids across the funding streams to secure the most value".²⁹⁴ Councillor Slade told the Committee:

"Every day, there is one or more bit of funding about which I have to think, 'I wonder whether my officers are aware of this'. I send it to the relevant officer and ask, 'Have we bid for this? Is it relevant to us?' That creates a huge amount of work with people having to respond to me."²⁹⁵

149. Beyond the sheer number of programmes, many local authorities said they needed to continue to bid for multiple funding pots because the application deadlines for one funding scheme closed before they had heard the outcome of an earlier one. For example, the deadline for submitting bids for Levelling Up Fund Round 1 was before the local authorities knew if their bids for the Town Deals programme were successful.²⁹⁶ Furthermore, being successful in securing funding could be contingent on also being successful in a separate bid. Mr Melia said: "Sometimes if you get funding from one pot, you have to go to another pot to try to get match funding to help the project get across the line. Just give us a single pot of money."²⁹⁷ The complexities of the funding system have been demonstrated in Sunderland, as we heard from Mr Melia (see Box 7).

²⁹³ National Audit Office, Levelling up funding to local government, HC 191, Session 2023–24 (17 November 2023): <u>https://www.nao.org.uk/wp-content/uploads/2023/11/levelling-up-funding-to-local-government.pdf</u> [accessed 20 November 2024]

²⁹⁴ Ibid.

^{295 &}lt;u>Q 101</u> (Councillor Vikki Slade)

²⁹⁶ National Audit Office, Levelling up funding to local government, HC 191, Session 2023–24 (17 November 2023): <u>https://www.nao.org.uk/wp-content/uploads/2023/11/levelling-up-funding-to-local-government.pdf</u> [accessed 20 November 2024]

^{297 &}lt;u>Q 178</u> (Patrick Melia)

Box 7: Sunderland funding

In the centre of Sunderland several closures of high-profile retailers took place, including the Debenhams department store and Arcadia shops in the Bridges Shopping Centre in 2021. The vacancy rate rose to 23 per cent in 2022, putting Sunderland in a vulnerable position.

Sunderland City Council has bid for various central Government funding schemes for regenerating its high streets. Mr Melia told the committee that navigating the numerous funding programmes "is really time consuming. Practically, on the ground for us, it creates bureaucracy, it slows the pace of investment, and makes it harder to secure private sector investment because of the complexity and bureaucracy of dealing with various government departments and various funding streams."²⁹⁸ Below is a list of the central Government funding programmes from which Sunderland has received support.

 \pounds 25 million from the Future High Street Fund, to be used for five projects within the Riverside Sunderland new urban quarter in the city centre, spanning both sides of the River Wear.

 \pounds 20 million from Levelling Up Funding Round 1, to be used for housing-led redevelopment to increase city-centre living.

£14.9 million of core funding from the UK Shared Prosperity Fund, of which £5.9 million is dedicated to supporting local businesses and £4.2 million to investment in communities and place.

Sources: Department for Levelling Up, Housing and Communities, 'Future High Streets Fund: successful and unsuccessful applications' (3 December 2021): https://www.gov.uk/government/publications/future-highstreets-fund-successful-and-unsuccessful-bids/future-high-streets-fund-successful-and-unsuccessfulapplications; Sunderland City Council, Riverside Sunderland: Masterplan (October 2020): https://www. riversidesunderland.com/sites/default/files/2020–10/sunderland_masterplan_relaunch_RevU_spreads. pdf; Sunderland City Council, 'Cabinet meeting—11 January 2022: Executive summary sheet—part I': capital programme 98/99 (sunderland.gov.uk) [accessed 12 September 2024]; Sunderland City Council, 'UK Shared Prosperity Fund (UKSPF) in Sunderland': https://www.sunderland.gov.uk/UKSPF [accessed 12 September 2024]

- 150. Following criticisms of the complexity in this funding structure, the then DLUHC took steps to simplify the funding landscape for local authorities. It published a funding simplification plan in July 2023, which included simplifying the process for local authorities to change their agreed plans.²⁹⁹ As part of this simplification plan, 10 local authorities already in receipt of multiple funding streams were invited in July 2023 to participate in 'pathfinder simplification pilots' in which money received from multiple funds could be pooled.³⁰⁰ The selected local authorities were then required to submit investment plans to the department and were able to commence the pilot after their plans were approved. The Government has yet to draw conclusions from the pathfinder simplification pilots.
- 151. In January 2024, the then Government announced further steps to simplify funding over three stages: streamlining existing processes and simplifying funds into larger pots; establishing a new 'funding simplification doctrine' across Government; and then implementing reforms at the next spending

^{298 &}lt;u>Q 178</u> (Patrick Melia)

²⁹⁹ Department for Levelling Up, Housing and Communities, *Simplifying the funding landscape for local authorities* (updated 10 January 2024): <u>https://www.gov.uk/government/publications/simplifying-the-funding-landscape-for-local-authorities/simplifying-the-funding-landscape-for-local-authorities</u> [accessed 23 August 2024]

review.³⁰¹ The simplification plan is expected to take place across Government departments.³⁰² Councillor Slade told the committee that "a simplification, a removal of the bidding and a longer-term view would be a lot easier for the council."³⁰³

152. We heard from the new Government that they agreed with both our evidence, and the direction of travel from the previous Government, that fewer funding programmes with rationalised expectations on local government was a more appropriate approach:³⁰⁴

"Our concern is that multiple funding streams mean that real industry is needed from local authorities and local communities in the monitoring that they need to satisfy, and that often the priorities were reflective of central priorities rather than local need. The model that we want to move to through our local growth funding models, our local growth plans, is a more allocative, longer-term, single-pot settlement with greater local discretion and lighter-touch central direction."³⁰⁵

- 153. Regarding the simplification programme, Alex Norris MP, Parliamentary Under-Secretary of State for Local Growth and Building Safety, suggested the Government would progress beyond the pilots and bring the simplification and integration of funding pots to all communities "as quickly as we can."³⁰⁶
- 154. The range of different Government programmes which provide funding to local authorities, with similar but slightly different purposes, is confusing and indicates a historic lack of policy clarity.
- 155. The previous Government's 'funding simplification doctrine' is a sensible approach and should be expanded to all local authorities in receipt of more than one funding stream seeking to revive high streets and town centres. This should be introduced for the next financial year and be a core tenet of any local growth funding reform.

Resource funding and expertise

156. Witnesses criticised the previous Government's programmes for focusing on capital funding support and argued that greater access to revenue funding would have been useful. Brighton & Hove City Council stated that revenue-funded initiatives "typically have a quicker impact on high street vitality than large capital investments" and the emphasis on capital funding had restricted the benefits for high streets.³⁰⁷ The Institute of Place Management told the Committee that "capital funding is just one aspect of place revitalisation and should sit alongside other measures".³⁰⁸ Power to Change recommended flexibility between capital and revenue funding to allow local authority

³⁰¹ Department for Levelling Up, Housing and Communities, Simplifying the funding landscape for local authorities (updated 10 January 2024): <u>https://www.gov.uk/government/publications/simplifying-thefunding-landscape-for-local-authorities/simplifying-the-funding-landscape-for-local-authorities</u> [accessed 23 August 2024]

³⁰² Ibid.

³⁰³ Q 98 (Councillor Vikki Slade)

^{304 &}lt;u>Q 201</u> and <u>Q 206</u> (Alex Norris MP)

³⁰⁵ **Q** 201 (Alex Norris MP)

³⁰⁶ **Q** 206 (Alex Norris MP)

³⁰⁷ Written evidence from Brighton & Hove City Council, the Brighton & Hove Economic Partnership and the Brilliant Brighton BID (<u>HSC0029</u>)

³⁰⁸ Written evidence from the Institute of Place Management (HSC0062)

expenditure on community-endorsed projects rather than large scale capital projects which may not have local community support.³⁰⁹

- 157. In general, we heard that local authorities face substantial resource and skills shortages in supporting high streets.³¹⁰ The British Property Federation stated that "many local authorities no longer have anyone skilled in the disciplines necessary for successful placemaking." ³¹¹ In order to help boost local authority capacity and help local leaders revitalise high streets, the previous Government established the High Street Task Force (HSTF), a consortium of experts and partners which was commissioned for five years (2019–June 2024). It provided consultancy services to local authorities and engagement with stakeholders alongside research and data gathering. Most witnesses who had experience with it viewed the HSTF as having been a valuable source of support.³¹² Brighton and Hove City Council told us that it had received expert support from the HSTF to inform a future design code and found their recommendations useful to unlock the potential of a key street in the centre.³¹³
- 158. The previous Government's Long-Term Plan for Towns (LTPT), published in October 2023, responded to the criticisms about a lack of resource funding. In total, the LTPT provides $\pounds 1.5$ billion of endowment style funding over 10 years to 75 towns across Great Britain to invest in local priorities including supporting high streets. 25 per cent of the funding provided to local authorities under the LTPT is for resource spending.³¹⁴ As well as financial investment, the LTPT includes dedicated support to help guide the Town Boards (responsible for developing the area's longterm plan) and local authorities through the process. In October 2023, the then Prime Minister Rishi Sunak also announced that a Towns Taskforce would be created, which would report directly to the Secretary of State and the Prime Minister and be based in DLUHC.³¹⁵ Its purpose was to advise those towns in receipt of LTPT funding on how to develop their plans and take advantage of Government policies, private investment and work with communities. In January 2024, the then Prime Minister Rishi Sunak appointed Adam Hawksbee as the interim Chair for the new Towns Unit, the delivery body for the Long-Term Plan for Towns.³¹⁶
- 159. The new Government intends to reflect on the taskforce models of the previous Government as it finalises its approach to support local authorities.³¹⁷ When reflecting on his time as chair of the HSTF, Mr Robinson emphasised to us that the Government should not miss the opportunity post-election

³⁰⁹ Supplementary written evidence from Power to Change (HSC0035)

^{310 &}lt;u>Q 191</u> (Andrew Malley), <u>Q 94</u> (Councillor Vikki Slade), <u>Q 16</u> (Professor John Tomaney)

³¹¹ Written evidence from the British Property Federation (HSC0037)

³¹² Written evidence from the British Retail Consortium (<u>HSC0027</u>); the British Property Federation (<u>HSC0037</u>); Primark (<u>HSC0047</u>); supplementary written evidence from Power to Change (<u>HSC0035</u>; <u>HSC0052</u>)

³¹³ Written evidence from Brighton & Hove City Council, the Brighton & Hove Economic Partnership and the Brilliant Brighton BID (<u>HSC0029</u>)

³¹⁴ Department for Levelling Up, Housing and Communities, Our Long-Term Plan for Towns (1 October 2023): <u>https://www.gov.uk/government/publications/our-long-term-plan-for-towns/our-long-term-plan-for-towns</u> [accessed 12 September 2024]

³¹⁵ Ibid.

³¹⁶ Department for Levelling Up, Housing and Communities and Jacob Young, Press release: *PM appoints Towns Tsar* on 25 January 2024: <u>https://www.gov.uk/government/news/pm-appoints-towns-tsar</u> [accessed 20 November 2024]

^{317 &}lt;u>Q 211</u> (Alex Norris MP)

to establish a better approach.³¹⁸ Witnesses argued that town centre management and economic development teams within local authorities could play an important role in placemaking.³¹⁹ Local authority staff could be provided with training to gain the necessary skills and expertise to deliver effective placemaking initiatives and strategies. Mr Malley told us there was a need to "bring the expertise back into the local authority, rather than have it outsourced."³²⁰ We heard that future support for local authorities should prioritise "tailored assistance, knowledge sharing, capacity building and long-term strategic planning"³²¹ as well as "more practical support (for example on planning, convening stakeholders, engaging with the community)".³²²

- 160. Throughout their evidence session with us, the new Ministers emphasised the central role of local authorities and local communities in deciding the spending priorities for their area and managing their spending in line with this.³²³ When questioned about how this may be impacted by the resource and expertise gaps in local government, the Minister for Democracy and Local Growth suggested that the act of empowering local authorities will make local government a more attractive place to work. He suggested that this in turn would support the recruitment and development of problem solvers with specialist skills within the local community.³²⁴
- 161. Whilst it is too early to assess the outcomes of the Government's Long-Term Plan for Towns, the inclusion of revenue funding is an improvement to the previous funding programmes. We are supportive of the Government's plans to continue the Long-Term Plan for Towns and thus provide stability to local authorities. Any amendments to the programme should ensure that resource funding remains a core feature of the programme.
- 162. We note the Minister's optimism that empowering local authorities will make them a desirable place to work and therefore address the capacity and skills gaps within such organisations. However, this is a long-term, indirect and unguaranteed solution to an immediate issue. Local authorities do not currently have adequate resources and skills to support high streets. Not addressing this proactively and at pace risks undermining the viability of the Government's plans.
- 163. Each local authority should have an active town centre manager to support the development of their high streets and town centres. Town centre managers across the country should share experiences and best practice to benefit from cohort-based learning.
- 164. The Government should invest in training and educating town centre managers, or other appropriate local authority staff, to ensure that every local authority has the required skills and expertise to provide tailored support to its own high streets. This could be commissioned from the private sector or coordinated through existing structures.

³¹⁸ Supplementary written evidence from HSTF (<u>HSC0064</u>)

³¹⁹ Written evidence from NALC (<u>HSC0045</u>); British Property Federation (<u>HSC0037</u>); Association of Town and City Management (<u>HSC0057</u>), British Chambers of Commerce (<u>HSC0002</u>); Morecambe Town Council (<u>HSC0048</u>); <u>Q 94</u> (Councillor Vikki Slade)

³²⁰ **Q** 191 (Andrew Malley)

³²¹ Written evidence from Andrew Grinter (HSC0001)

³²² Written evidence from Bill Grimsey (HSC0036)

^{323 &}lt;u>Q 204</u> (Baroness Taylor of Stevenage)

³²⁴ Q 218 (Alex Norris MP)

Inefficient and costly bidding system

- 165. Local authority witnesses told the committee that having to bid for multiple pots of funding was time consuming and a strain on already limited resources. Councillor Brown stated: "It is unaffordable on a regular basis for many local authorities to continue constantly to be bidding, particularly if they are not likely to succeed."³²⁵ According to the LGA, local authorities have historically spent £30,000 on average pursuing each competitive grant.³²⁶
- 166. This process also carries a risk that Government funding may be directed towards projects which may not have the greatest impact on high street and town centre renewal. Councillor Slade stated: "if you do not bid, you are not looked at as being ambitious" and that "your MPs quite rightly get cross because they think you should be bidding for everything" but that "you sometimes get money for things that are not seen by your communities as the biggest priority"327. The then Government preferred "shovel-ready"328 bids but the NAO reported that this did not result in quick delivery on the ground, nor did those projects necessarily address the greatest needs of the community.³²⁹ Councillor Brown suggested that councils might find themselves bidding for lower-priority projects if they were the only ones that could satisfy specific criteria; which may not help to deliver coherent placemaking in line with the wishes of local residents.³³⁰ Power to Change was also critical, saying the Government's approach had "led to the prioritisation of 'shovel ready' projects over creating an inclusive and long-term approach to regenerating high streets."331 However, Mr Melia noted that with planning it was possible to strike the right balance in designing projects that were 'shovel-ready' to apply for funding whilst still being meaningful for the community.332 He said: "We have been very careful in Sunderland to make sure that the projects that are "shovel-ready" align with our vision and what we are trying to achieve at a strategic level for the local authority and for our population."333
- 167. We also heard that some parish and town councils would benefit from being able to bid directly for Government funding instead of relying on the local authority to submit bids. Mr Wheelhouse told the committee that: "Recognising the professionalism, expertise and track record of town councils in regeneration and acknowledging the intimate knowledge that they hold of their communities' needs" would be beneficial.³³⁴ Morecambe Town Council echoed this sentiment and expressed frustration in having to rely solely on bids submitted by the city council on its behalf, which were unsuccessful.³³⁵ Lancaster City Council in part attributed its lack of success

334 **Q** 170 (Peter Wheelhouse)

³²⁵ **Q** 98 (Councillor Susan Brown)

³²⁶ Written evidence from the LGA (<u>HSC0019</u>)

³²⁷ **Q** 98 (Councillor Vikki Slade)

³²⁸ Ministry of Housing, Communities and Local Government and the Department for Business, Energy and Industrial Strategy, Press Release: £1.3 billion investment to deliver homes, infrastructure and jobs on 4 August 2020: https://www.gov.uk/government/news/1-3-billion-investment-to-deliver-homesinfrastructure-and-jobs [accessed 20 November 2024]

 ³²⁹ National Audit Office, Levelling up funding to local government, HC 191, Session 2023–24 (17 November 2023) p 28: https://www.nao.org.uk/wp-content/uploads/2023/11/levelling-up-funding-to-local-government.pdf [accessed 20 November 2024]

³³⁰ **Q** <u>96</u> (Councillor Susan Brown)

³³¹ Supplementary written evidence from Power to Change (<u>HSC0035</u>)

^{332 &}lt;u>Q 180</u> (Patrick Melia)

³³³ Ibid.

³³⁵ Written evidence from Morecambe Town Council (HSC0048)

in bidding for funding to failing to involve stakeholders such as the Town Council in the process.³³⁶

- 168. It was also noted that bids could be more effective and successful if they were developed, at least in part, by individuals operating outside local government who may have a better understanding of the needs of the community. Morecambe Town Council cited the example of Southampton BID which worked with Southampton City Council on a successful funding bid.³³⁷
- 169. Under the LTPT, the previous Government shifted to an allocation-based funding system in response to the criticisms of the competitive bidding process. The LTPT allocated funding to 75 towns according to levelling-up need, based on an assessment of population size, geographic spread and deprivation metrics, and put "the onus on the Government to present clear and transparent methodological justifications for the determination of allocations."³³⁸ Whilst witnesses said that it was too early to assess the success of the LTPT, they were supportive of the new approach.³³⁹ Civic Voice praised the allocative approach and the 10-year timeframe of the programme, which provides greater certainty.³⁴⁰
- 170. Ministers from the new Government agreed with the conclusions of Adam Hawksbee, the former Towns Tsar that competitive bidding processes may not be useful for "places that have the lowest level of capacity or the lowest level of leadership, because they will always be least able to put together bids".³⁴¹ The Government told us that it, in line with the previous Government's conclusions, felt the bidding approach to funding "has had its day" and it would pursuing a more allocative approach for future funding.³⁴² Whilst it was acknowledged that bidding processes can help to ensure value for money from Government investment, the Minister suggested that programmes such as the UK Shared Prosperity Fund, which provide funding to all local authorities with themes and parameters on which it should be spent, could provide the inspiration for future programmes.³⁴³ It was suggested that improved local authority auditing practice, local democracy and measures potentially introduced through the English Devolution Bill would provide appropriate accountability for local authority spending associated with more loosely defined programmes.³⁴⁴

171. The bidding system for awarding funding to local authorities for regeneration projects has historically been inefficient and costly for local authorities applying for funding.

³³⁶ Ibid.

³³⁷ Ibid.

³³⁸ Department for Levelling Up, Housing and Communities, Simplifying the funding landscape for local authorities (updated 10 January 2024): <u>https://www.gov.uk/government/publications/simplifying-the-funding-landscape-for-local-authorities/simplifying-the-funding-landscape-for-local-authorities</u> [accessed 23 August 2024]

³³⁹ Supplementary written evidence from Power to Change (<u>HSC0052</u>); written evidence from Civic Voice (<u>HSC0024</u>)

³⁴⁰ Written evidence from Civic Voice (HSC0024)

 ^{341 &#}x27;The town plagued by dirt bikes that shows why levelling up needs to change', *iNews* (19 May 2024): https://inews.co.uk/news/politics/town-dirt-bikes-levelling-up-change-3063511 [accessed 20 November 2024] and Q 205 (Alex Norris MP).

³⁴² **Q 205** (Alex Norris MP)

^{343 &}lt;u>Q 207</u> (Alex Norris MP)

³⁴⁴ Q 204 and Q 207 (Baroness Taylor of Stevenage)

- 172. We appreciate that the allocative approach taken in the Long-Term Plan for Towns and the UK Shared Prosperity Fund has helped to overcome the costs and burden of bidding; however, bidding processes can serve to ensure that areas in receipt of funding are actively engaged in local projects and able to deliver value for money to the taxpayer.
- 173. We consider there is still an appropriate role for bidding processes in allocating funding to local authorities, where it is not overly onerous and serves a clear purpose.
- 174. Any future programmes created as part of the local growth funding reforms should have a highly simplified bidding process. The Government should clearly identify the maximum appropriate time and cost of bidding required from local authorities and design the processes accordingly. The Government could consider implementing a two-stage bidding process with a cursory first stage to ensure that only those projects most likely to be chosen within a programme have to undertake the full assessment process.
- 175. Parish and town councils that can demonstrate appropriate maturity in their financial management should be eligible to bid for Government funding directly.

APPENDIX 1: LIST OF MEMBERS AND DECLARATIONS OF INTEREST

Members

Baroness Andrews Lord Bailey of Paddington Baroness Eaton Lord Faulkner of Worcester Lord Greenhalgh Viscount Hanworth Baroness Janke Lord Mair Lord Mawson Lord Moylan (Chair) Baroness Miller of Chilthorne Domer Baroness Warwick of Undercliffe

Declarations of interest

Baroness Andrews Deputy Chair, National Lottery Heritage Fund (2016 to April 2023) Lord Bailey of Paddington No relevant interests to declare **Baroness** Eaton Vice President of the Local Government Association Lord Faulkner of Worcester No relevant interests to declare Lord Greenhalgh Did not participate in this inquiry Viscount Hanworth No relevant interests to declare **Baroness** Janke Vice President of the Local Government Association Lord Mair Commissioner, Royal Commission for the Exhibition of 1851 Lord Mawson Chairman of Well North Enterprises. Well North Enterprises also undertakes work with: Barratt plc Ibstock plc the National Health Service North West Surrey Alliance. In this role, Lord Mawson provides direct advice and support to the Leader of Surrey County Council, leader of the North West Surrey Alliance and the CEO of Spelthorne Council. Baroness Miller of Chilthorne Domer Shares in family building materials company, Bradford & Sons, based in Yeovil, Somerset Lord Moylan No relevant interests to declare **Baroness Warwick of Undercliffe** Chair of the Property Ombudsman which resolves disputes between consumers and property agents

A full list of Members' interests can be found in the Register of Lords' interests: <u>https://www.parliament.uk/mps-lords-and-offices/standards-and-interests/</u>register-of-lords-interests/

Specialist Adviser

Dr Lucy Montague BArch(Hons) PGDip MSc PhD PGCert

APPENDIX 2: LIST OF WITNESSES

Evidence is published online at <u>https://committees.parliament.uk/work/8245/</u> <u>high-streets-in-towns-and-small-cities/</u> and available for inspection at the Parliamentary Archives (020 7219 3074).

Evidence received by the Committee is listed below in chronological order of oral evidence session and in alphabetical order. Those witnesses marked with ****** gave both oral and written evidence. Those marked with ***** gave oral evidence and did not submit any written evidence. All other witnesses submitted written evidence only.

Oral evidence in chronological order

**	John Tomaney, Professor of Urban and Regional Planning, The Bartlett School of Planning, University College London (UCL)	<u>QQ_1–16</u>
*	Sir John Timpson, Chairman, Timpson Group	<u>QQ 17–38</u>
*	Michael Weedon, Policy Champion, Federation of Small Businesses (FSB)	<u>QQ 39–55</u>
*	Laura Onita, Retail Correspondent, Financial Times	<u>QQ 39–55</u>
**	Graham Wilson OBE, Deputy Chief Executive & Legal and Policy Advisor, The National Association of British Market Authorities (NABMA)	<u>QQ 39–55</u>
*	David Moynihan, Head of Services, Locality	<u>QQ 56–77</u>
**	Josh Westerling, Policy Manager, Power to Change	<u>QQ 56–77</u>
*	Andrew Tighe, Strategy and Policy Director, British Beer & Pub Association	<u>QQ_78–94</u>
*	Kate Nicholls, CEO, UK Hospitality	<u>QQ 78–94</u>
**	Vikki Slade, Vice Chair of the Local Infrastructure and Net Zero Board and Leader of Bournemouth, Christchurch and Poole Council, Local Government Association (LGA)	<u>QQ 95–115</u>
*	Susan Brown, Vice Chair and Leader of Oxford City Council, District Councils' Network (DCN)	<u>QQ 95–115</u>
**	Helle Lis Søholt, CEO, Gehl Architects	<u>QQ 116–129</u>
*	David Rudlin, Director Urban Design, BDP	<u>QQ 130–142</u>
*	Mark Robinson, Chair, High Streets Task Force	<u>QQ 143–160</u>
**	Peter Wheelhouse, Economic Development & Regeneration Manager & Deputy Town Clerk, Frome Town Council	<u>QQ 161–172</u>
*	Patrick Melia, Chief Executive, Sunderland City Council	<u>QQ 173–184</u>
*	Mark Dransfield, Founder and Managing Director, Dransfield Properties	<u>QQ 185–199</u>
*	Amanda Holmes, Communications and Consultation Lead, Dransfield Properties	<u>QQ 185–199</u>

*	Andrew Malley, Retail Property Director, Dransfield Properties	<u>QQ 185–199</u>
*	Baroness Taylor of Stevenage, Parliamentary Under- Secretary of State (Lords Minister for Housing and Local Government), Ministry of Housing, Communities and Local Government	<u>QQ 200–222</u>
*	Alex Norris MP, Parliamentary Under-Secretary of State (Minister for Democracy and Local Growth), Ministry of Housing, Communities and Local Government	<u>QQ 200–222</u>

Alphabetical list of all witnesses

	Artspace Lifespace	<u>HSC0011</u>
	Association of Town and City Management	HSC0057
	Anna Boldina, Researcher, University of Cambridge	HSC0055
	Brighton and Hove City Council	HSC0029
	British Beer and Pub Association	HSC0018
	British Chambers of Commerce	HSC0002
	British Independent Retailers Association	<u>HSC0041</u>
	British Property Federation	HSC0037
	British Retail Consortium	HSC0027
*	Susan Brown, Vice Chair and Leader of Oxford City Council, District Councils' Network (DCN) (<u>QQ 95–</u> <u>115</u>)	
	Budweiser Brewing Group UK & Ireland	HSC0039
	Professor Matthew Carmona, Professor of Planning and Urban Design, The Bartlett School of Planning, UCL	<u>HSC0006</u>
	Centre for Cities	HSC0030
	Charity Retail Association	<u>HSC0050</u>
	Dr Fei Chen, Reader in Architecture and Urban Design, University of Liverpool	<u>HSC0008</u>
	Civic Voice	HSC0024
	Professor J. Andres Coca-Stefaniak, Professor and Associate Head of School for Research and Knowledge Exchange, University of Greenwich	<u>HSC0042</u>
	Colliers	HSC0028
	Dan Thompson Studio	<u>HSC0010</u>
	Department for Communities - Ministerial Advisory Group for Architecture & the Built Environment	HSC0012
*	Mark Dransfield, Founder and Managing Director, Dransfield Properties (<u>QQ 185–199</u>)	
**	Frome Town Council (QQ161-172)	HSC0065

	Design Council	<u>HSC0043</u>
	Mr Graham Galpin, Founder, Placechanger and member of the High Street Task Force, Placechanger	<u>HSC0009</u>
**	Gehl Architects (QQ 116–129)	HSC0058
	Jane Giffould	<u>HSC0003</u>
	Bill Grimsey, Retired Retailer, Tesco, Wickes, Big Food Group, Focus	<u>HSC0036</u>
	Mr Andrew Grinter	<u>HSC0001</u>
	Professor Emeritus Alan Hallsworth, Professor Emeritus, Staffordshire University	<u>HSC0007</u>
	Colin Hicks	HSC0038
	High Streets Research Network at Sheffield Hallam University	HSC0014
	High Streets Task Force	HSC0063
	Historic England	HSC0053
*	Amanda Holmes, Communications and Consultation Lead, Dransfield Properties (QQ 185–199)	
	Institute of Place Management, Manchester Metropolitan University	<u>HSC0020</u> <u>HSC0062</u>
	Dr Cath Jackson, Senior Lecturer, University of Sheffield, Dr Allison Orr, Retired, formerly University of Glasgow, and Professor James White, Professor, University of Glasgow	HSC0032
	L4 Enterprises CIC	<u>HSC0025</u>
	Professor Anna Lawson, Professor of Law and Principal Investigator, Inclusive Public Space Project, University of Leeds, School of Law, and Professor of Law and Principal Investigator, Inclusive Public Space Project, University of Leeds, and Dr Maria Orchard, Research Fellow, Inclusive Public Space Project, University of Leeds, School of Law, and Research Fellow, Inclusive Public Space Project, University of Leeds	<u>HSC0016</u>
**	Local Government Association (QQ 95-115)	<u>HSC0019</u> <u>HSC0059</u>
	Love Wavertree CIC	HSC0022
*	Andrew Malley, Retail Property Director, Dransfield Properties (<u>QQ 185–199</u>)	
*	Patrick Melia, Chief Executive, Sunderland City Council (<u>QQ 173–184</u>)	
	Morecambe Town Council	HSC0048
*	David Moynihan, Head of Services, Locality (QQ 56-77)	
**	The National Association of British Market Authorities (NABMA) (QQ 39–55)	<u>HSC0005</u>

	National Association of Local Councils	HSC0045
	National Hair & Beauty Federation	<u>HSC0017</u>
*	Alex Norris MP, Parliamentary Under-Secretary of State (Minister for Democracy and Local Growth), Ministry of Housing, Communities and Local Government (<u>QQ200-</u> <u>222</u>)	
*	Kate Nicholls, CEO, UK Hospitality (QQ 78–94)	
*	Laura Onita, Retail Correspondent, Financial Times (<u>QQ 39–55</u>)	
	Vicky Payne, Co-author, High Street: How our town centres can bounce back from the retail crisis, and David Rudlin, Co-author, High Street: How our town centres can bounce back from the retail crisis	<u>HSC0026</u>
	The Pharmacists' Defence Association	HSC0013
	Policy Exchange	<u>HSC0054</u>
**	Power to Change (<u>QQ 56–77</u>)	<u>HSC0035</u> <u>HSC0052</u>
	Primark	<u>HSC0047</u>
	RECLAIM	HSC0061
	Richmond Society	HSC0044
	RICS	HSC0033
*	Mark Robinson, Chair, High Streets Task Force (QQ 143-160)	HSC0064
	Royal Borough of Kensington and Chelsea	<u>HSC0051</u>
*	David Rudlin, Director Urban Design, BDP (<u>QQ 130–</u> <u>142</u>)	
	Bridget Shaffrey, PhD candidate, Faculty of Geography, Durham University	<u>HSC0056</u>
	The Shopkeepers' Campaign	HSC0023
*	Baroness Taylor of Stevenage, Parliamentary Under- Secretary of State (Lords Minister for Housing and Local Government), Ministry of Housing, Communities and Local Government (QQ200-222)	
	The Teenage Market (Market Innovations Ltd)	HSC0034
*	Andrew Tighe, Strategy and Policy Director, British Beer & Pub Association (<u>QQ 78–94</u>)	
*	Sir John Timpson, Chairman, Timpson Group (<u>QQ</u> <u>17–38</u>)	
**	Professor John Tomaney, Professor of Urban and Regional Planning, Bartlett School of Planning, University College London (<u>QQ 1–16</u>)	<u>HSC0060</u>
	UKHospitality	<u>HSC0040</u>

	an, Assistant Professor, National Centre (ntdc), Coventry University	<u>HSC0015</u>
University of Sheft	field	<u>HSC0049</u>
University of the W	West of England	HSC0046
Wakefield Civic So	ociety	<u>HSC0004</u>
Michael Weedon, Businesses (FSB)	Policy Champion, Federation of Small (<u>QQ 39–55</u>)	
University Populat Clare Bambra, Pro University Populat Luke Munford, Se University of Man Professor of Pharm University School	ozied, Research Associate, Newcastle tion Health Sciences Institute; Professor ofessor of Public Health , Newcastle tion Health Sciences Institute; Dr enior Lecturer in Health Economics, chester; Professor Adam Todd, naceutical Public Health, Newcastle of Pharmacy, and Hannah Davies, r, Health Equity North	<u>HSC0031</u>

*

APPENDIX 3: CALL FOR EVIDENCE

Overview

The House of Lords Built Environment Committee has launched an inquiry into high streets in towns and small cities.

The committee invites interested individuals and organisations to submit written evidence by 22 March 2024.

Background

High streets were once the heart of local communities but in the recent years high streets have faced numerous changes that have made it difficult for businesses to remain open. <u>Challenges</u> include the introduction and growing popularity of online shopping, the impact of the Covid-19 pandemic and inflationary pressures changing consumer behaviour and leading to high operational costs for businesses. The culmination of these factors has led to the closure of many popular high street brands in the UK. The closure of some services on high streets, such as banks and post offices, has led to concerns about the accessibility of these services for certain groups including older and vulnerable people, those with disabilities and those living in rural areas.

The Government has committed to a long-term plan to regenerate high streets in their policy paper, *Build Back Better High Streets*, which sets out the Government's vision to enable high streets to be hives of economic and social activity for local communities. This includes funding support through Town Deals, providing capacity support to local authorities and introducing new permitted development rights to allow the conversion of empty commercial space into homes, alongside a commitment to explore further planning and policy changes.

This inquiry will seek to understand how high streets can be regenerated and become more resilient and attractive. It will consider the different uses of high streets by various communities and businesses and what is essential for them to flourish economically and socially. Given the shift in working and shopping patterns post-pandemic, it will look at how high streets could adapt and remain successful in the future. The inquiry will explore what types of spatial design and transport connectivity could allow greater footfall and better accessibility. It will assess whether the Government's vision and support for high streets is fit for purpose and whether local authorities have the right tools to help local areas thrive. The committee's focus is on England, as many relevant matters are devolved in Northern Ireland, Scotland and Wales.

Hearing a range of different perspectives means that Committees are better informed and can more effectively scrutinise public policy and legislation. We encourage anyone with experience or expertise of an issue under investigation to share their views with the Committee, in the full knowledge that they have value and are welcome.

Questions

The committee seeks evidence in response to the following questions. It is not necessary to answer all the questions. Short submissions are preferred. A submission longer than six pages should include a one-page summary.

(1) How do you define a high street in a town or small city and what is its purpose?

- (2) What should be included on high streets to meet the needs of the whole community?
- (3) What are the obstacles to bringing underused property on the high streets back into use?
- (4) Who is involved in ensuring a thriving local high street and does the current structure of Government support facilitate those groups in working together?
- (5) What role does the planning process have in determining the success or failure of the high street locally and is it fully able to address the challenges high streets face?
- (6) [To note, this will be listed at 5 (a)] What has been the impact of national level planning policies regarding high streets in the last five years and are any changes required?
- (7) What should be done to ensure that high streets being redeveloped now are structurally and financially resilient for future societal changes?
- (8) How can spatial planning, street design and layout help to drive greater footfall to high streets?
- (9) Has the High Streets Taskforce been effective in providing support and expertise in high street recovery and what should this look like in the future?
- (10) How can transport connectivity be improved to facilitate better access to high streets and town centres and how should this be funded?
- (11) To what extent are the Government's funding programmes to support high streets, such as the Town Deals and Future High Streets Fund, successful?

APPENDIX 4: GOVERNMENT FUNDING PROGRAMMES

DLUHC funding: Towns Fund, Levelling Up Fund, UK Shared Prosperity Fund (UKSPF), High Street Accelerators, and Long-Term Plan for Towns

The Ministry for Housing, Communities and Local Government, formerly the Department for Levelling Up, Housing and Communities (DLUHC), leads on three major funds aimed at reducing geographical inequality in a broad range of economic and social measures across the UK: the Towns Fund, the Levelling Up Fund and the UK Shared Prosperity Fund (UKSPF). Between them, these funds are worth up to £11 billion and aim to allocate £9.5 billion to local places to be spent by 31 March 2026.³⁴⁵ The Towns Fund is restricted to England, whilst the Levelling Up Fund and the UKSPF are UK-wide funds and involve several other Government departments in aspects of their design and delivery. More than 1,300 individual projects are supported under the Levelling Up Fund and Towns Fund, whilst the UKSPF is supporting more than 3,000 projects. In addition, the former DLUHC also provides funding through the High Street Accelerators pilot and Long-Term Plan for Towns.

Towns Fund

First announced in January 2021 by the former Ministry of Housing, Communities and Local Government, the Towns Fund aims to "unleash the economic potential of towns and high streets in England"³⁴⁶ through £3.6 billion of support funding. It has two major components, Town Deals and the Future High Streets Fund:

- (a) the Town Deals programme provides support to 101 local authorities and are focused specifically on urban regeneration, planning and land use, skills and enterprise infrastructure, transport and digital connectivity.
- (b) the Future High Streets Fund provides funding to 72 places and aims to renew and reshape town centres and high streets in a way that improves experience, drives growth and ensures future sustainability.³⁴⁷

The Towns Fund website states that long-term investment includes over $\pounds 2.35$ billion of Town Deals and over $\pounds 830$ million of Future High Streets Funding.³⁴⁸ The July 2021 Build Back Better High Streets policy paper outlines how the Towns Fund fits within a wider strategy for a post-Covid revival of high streets.³⁴⁹

Levelling Up Fund

The Levelling Up Fund is a UK-wide $\pounds 4.8$ billion fund investing in transport, town centre regeneration and culture, with DLUHC and the Department for Transport jointly accountable. The Government stated that the Levelling Up Fund

³⁴⁵ National Audit Office, Press Release: *Supporting local economic growth* on 2 February 2022: <u>https://www.nao.org.uk/press-releases/supporting-local-economic-recovery/</u>. [accessed 19 November 2024]

³⁴⁶ Department for Levelling Up, Housing and Communities, Towns Fund monitoring and evaluation strategy: executive summary (2 December 2021): <u>https://www.gov.uk/government/publications/</u> towns-fund-monitoring-and-evaluation-strategy/towns-fund-monitoring-and-evaluation-strategyexecutive-summary [accessed 12 September 2024]

³⁴⁷ Ibid.

³⁴⁸ Towns Fund, [Homepage]: https://townsfund.org.uk/ [accessed 12 September 2024]

 ³⁴⁹ Department for Levelling Up, Housing and Communities, Build Back Better High Streets (15 July 2021): https://www.gov.uk/government/publications/build-back-better-high-streets [accessed 19 November 2024]

"seeks to improve everyday life by investing in capital infrastructure that will have a tangible impact on local places across all parts of the UK".³⁵⁰ Also, "whilst it is open to all places, there is a degree of prioritisation of funding according to need (that is places where it can make the biggest difference to everyday life, including ex-industrial areas, deprived towns and coastal)".³⁵¹ Funding was allocated across three rounds of competitive bidding which took place in 2021–22 and 2022–23, with the third-round funding limited to unsuccessful bids from the second round. Across the first two rounds of bidding, 216 bids were successful with an average value of £17.5 million. The fund focuses on visible infrastructure investments that have a direct value for community regeneration and improvements to local quality of life.³⁵²

UK Shared Prosperity Fund

The UK Shared Prosperity Fund (UKSPF) was designed to succeed and improve upon the previous EU Regional Development Fund and the European Social Fund, which provided investment in lower socio-economic areas and improved workforce skills and employment. The fund will provide £2.6 billion between 2022–23 and 2024–25.³⁵³ The primary goals are to build local pride and community and to increase access to opportunities for local people across the UK via investment in the private sector, public services and skills development. The Government stated that it aims to "increase life chances and build pride in place across the UK".³⁵⁴ DLUHC and the Department for Education oversee the fund, with DLUHC taking the lead. All areas of the UK receive an allocation from the Fund via a funding formula rather than allocation through a competitive bidding process.

High Street Accelerators³⁵⁵

On 6 December 2023, DLUHC launched a new High Street Accelerators pilot, providing ten high streets across England with a share of £7.37 million. Ten struggling high streets will take part in the High Street Accelerators pilot programme, which aims to create partnerships that empower residents and community organisations to work together on long-term regeneration plans. These 10 'High Street Accelerators' have received a total of £2.37 million to kickstart their partnerships—£237,000 each. They can also apply for a share of up to £5 million to improve their high streets' green spaces and create more pleasant environments in which residents can meet and socialise.

³⁵⁰ Department for Levelling Up, Housing and Communities, 'Levelling Up Fund: monitoring and evaluation strategy' (31 March 2022) <u>https://www.gov.uk/government/publications/levelling-up-fund-monitoring-and-evaluation-strategy/levelling-up-fund-monitoring-and-evaluation-strategy</u> [accessed 12 September 2024]

³⁵¹ Ibid.

³⁵² National Audit Office, *Levelling up funding to local government* (17 November 2023) p 4: <u>https://www.nao.org.uk/wp-content/uploads/2023/11/levelling-up-funding-to-local-government.pdf</u> [accessed 20 November 2024]

³⁵³ Ibid.

³⁵⁴ Department for Levelling Up, Housing and Communities, UKSPF: evaluation strategy (updated 4 March 2024): <u>https://www.gov.uk/government/publications/uk-shared-prosperity-fund-evaluation/ukspf-evaluation-strategy</u> [accessed 12 September 2024]

³⁵⁵ Department for Levelling Up, Housing and Communities, Press Release: *High streets levelled up with £7 million funding boost* on 6 December 2023: <u>https://www.gov.uk/government/news/high-streets-levelled-up-with-7-million-funding-boost</u> [accessed 20 November 2024]

72 HIGH STREETS: LIFE BEYOND RETAIL

Long-Term Plan for Towns³⁵⁶

The Long-Term Plan for Towns (LTPT) is a $\pounds 1.5$ billion endowment-style investment into 75 towns across the UK. It was announced as a core part of the previous Government's levelling-up plan to invest in local people's priorities including reviving high streets. The funding will be delivered over 10 years and is split between 25 per cent resource funding and 75 per cent capital funding. The previous Government framed the LTPT as a "new approach to funding."

DCMS funding: High Streets Heritage Action Zones

In 2019, the then Department for Digital, Culture, Media and Sport (DCMS) announced £95 million to revive historic high streets in over 60 towns across the country.³⁵⁷ This included £40 million from the Heritage High Street Fund and £3 million from the National Lottery Heritage Fund.³⁵⁸ The fund is overseen by Historic England as part of their High Streets Heritage Action Zone work. Projects include physical improvements and cultural activities depending on the needs of each place.

Specific capital project funding

At various fiscal events, the previous Government has announced targeted funding for specific local authority regeneration projects outside more formal programmes, sometimes coming as a surprise to the recipient local authorities. For example, in the 2024 spring budget, the previous Government announced £24 million to support capital and regeneration projects primarily in Hucknall (Ashfield) and Bingley (Bradford).³⁵⁹ These projects were two Levelling Up Fund bids which did not receive support through the fund but were high-scoring and low-cost projects.

³⁵⁶ Department for Levelling Up, Housing and Communities, *Our Long-Term Plan for Towns* (1 October 2023): <u>https://www.gov.uk/government/publications/our-long-term-plan-for-towns/our-long-term-plan-for-towns</u> [accessed 12 September 2024]

³⁵⁷ Ministry of Housing, Communities and Local Government et al, Press Release: £95 million to revive historic high streets on 14 September 2019: <u>https://www.gov.uk/government/news/95-million-to-revive-historic-high-streets</u> [accessed 12 September 2024]

³⁵⁸ Historic England, 'High Streets Heritage Action Zones': <u>https://historicengland.org.uk/advice/</u> <u>heritage-action-zones/regenerating-historic-high-streets/</u> [accessed 12 September 2024]

³⁵⁹ Department for Levelling Up, Housing and Communities, Levelling Up capital projects: accounting officer assessment (updated 6 March 2024)': https://www.gov.uk/government/publications/dluhc-accountingofficer-assessments/levelling-up-capital-projects-accounting-officer-assessment-march-2024 [accessed 12 September 2024]