



Department for  
Communities and  
Local Government

# The Future of High Streets

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# The Future of High Streets: what's happened so far

In December 2011, Mary Portas completed her independent review of the future of England's high streets. The Prime Minister then asked the Department for Communities and Local Government to lead the government's response to her recommendations. This report outlines the problem that the government is trying to tackle, describes the work that has gone on over the past year, and sets out what will be done next.

The nation's shopping habits are always changing. Market traders gave way to shop keepers who in turn were challenged by the growth of department stores, which have subsequently been put under pressure by the rise of supermarkets and retail parks. Today, traditional high streets are under threat not just from the growth of internet shopping, but also out-of-town shopping. There are also concerns about the so-called 'clone town' phenomenon, with local character being lost as major chains dominate the high street.

This matters. If high streets are left to wither, that leaves a hollow space running right through the heart of our communities; where there should be a bustling, thriving place for people to gather.

That does not mean that the government can or should turn back the clock to a time where the high street was the only place to go. But it can help the high street to adapt, to compete and to thrive, helping communities make their high streets attractive places to visit: not just for shopping, but for culture, entertainment and community activities; with pop up shops, restaurants and coffee shops and social entrepreneurs and market traders working alongside traditional retailers. So this is as much a social challenge as an economic challenge. And there are some reasons to be cautiously optimistic, as the latest figures from the British Retail Consortium/Springboard indicate that footfall on high streets is increasing.

In response to this challenge, the government has:

## Provided financial and practical help through the Portas Pilots

27 towns - increased from an initial 12 due to the number of applications - make up the 'Portas Pilot' areas which are developing and testing ideas and sharing their experiences with the rest of the country. The government has given £2.3 million to 24 of these pilots, and the Mayor of London is funding a further 3.

The aim of this programme is to harness the energy and enthusiasm of local people and develop local leadership. Local councils, businesses and local groups who understand their communities are making the decisions about how, when and where to invest their money in order to revitalise their high streets. The idea is to spend the money effectively rather than quickly; and of course, each pilot has different ideas about what will work for their community.

A further £3.3 million has been shared between town teams in 330 other places, to help kickstart activity in their areas too.

The Association of Town and City Management have offered significant help and support to the areas involved in the programme - including events to share best practice, help for fundraising, and practical advice for communities to run their individual projects. Business in the Community has also played an important role in the programme, for example, by linking up other areas to see the results in successful pilots, leveraging in support from major businesses. The Arts Council has given a number of small one-off grants to spark creative and cultural activities on the high street, for example, increasing footfall by attracting young people and families.

## Given specific help to those towns facing the biggest challenges

The government set up the High Street Innovation Fund to offer support to those councils with the most empty shops and those who were affected by the 2011 riots. This funding is designed to attract new businesses to the towns and bring empty properties back into use.

As a result, more than a hundred councils from across England have been able to be flexible and innovative in turning boarded-up shops into thriving new businesses. For example, some have offered discounts on business rates, reducing the ongoing costs for businesses, while others have used the 'meanwhile use' policy which means empty property can temporarily be used for different purposes than they were intended.

## Backed the 'Love Your Local Market' Campaign

Last summer, the government supported this campaign which offered 3,000 free or subsidised market stalls (tables for a tenner) to 2,000 new traders in 400 areas around the country. The focus was on encouraging new businesses, particularly among young people, since market stalls are relatively low-risk and low-cost. Many towns put on special market events to raise awareness of their local markets and encourage regular use. The campaign was such a success that the government is supporting the National Association of British Market Authorities to run a bigger and better campaign in May 2013.

## Reduced the financial burdens on businesses

The government has doubled small business rate relief and extended it for another year - making 3 and a half years so far - which helps all small businesses, including retailers. Half a million businesses in England are expected to benefit and more than 300,000 are expected to pay no rates at all. We have also made it easier for small businesses to access the rate relief they are entitled to.

But it is local councils, rather than the government, who best know what their local businesses need. So we have given them powers to grant discretionary discounts on business rates. For the first time, we have given councils a financial stake in promoting local growth, by allowing them to keep more of the business rates they collect. That means

councils now have a powerful incentive to create an environment that attracts, nurtures and supports businesses.

Budget 2013 also introduced a £2,000 Employment Allowance which will reduce their employer National Insurance Contributions. 90% of the benefits from this change will go to small businesses.

## Made the planning system more flexible and business friendly

The National Planning Policy Framework makes it clear that councils should put town centres first. Planning policies are expected to promote a competitive town centre, and set out policies to manage town centres effectively, helping them to grow. In drawing up their local plans, local planning authorities are expected to actively promote viable and vital high streets, recognising that they are the heart of local communities. They should also offer genuine choice for consumers and a diverse range of retailers and promote policies which respect the strengths and individuality of their local high street.

The government has also made it easier to build more homes on the high street, by introducing permitted developments for two flats above shops. This will help the overall regeneration of local high streets as well as increasing the customer base for local shops. Further changes are being introduced which will make it easier for landlords to change offices into housing; and for councils to change other buildings into shops. This means that high street property does not lie empty simply because the planning system currently requires that it be used in a certain way. This flexibility is being balanced with appropriate protections: so that councils can, for example, protect community resources such as pubs, or prevent excessive growth of betting shops.

## More powers for more parking

The government has changed the planning rules so that councils can offer more parking spaces in town centres and issued guidance encouraging councils to attract shoppers by set parking charges which enable town centres to compete with high streets. We are also considering how to make parking charges and fines more transparent. We are working with the Local Government Association to encourage all councils to adopt best practice.

## Leading by example

Pop-Up Britain has set up a pop-up shop in DCLG's headquarters to demonstrate how a small and underused space can support start-up businesses and encourage greater consumer footfall to a broader area. Pop-Up Britain offers practical help and advice to towns who want to adopt the same approach.

## Working with industry and experts

Government can create the broad conditions and intervene appropriately, but ultimately it is councils, businesses, community groups and consumers working together who will ensure our high streets thrive over the coming years. For example, the British Retail

Consortium has worked with the Royal Institute of Chartered Surveyors to develop a new small business rental lease. This is a fair, flexible and simple deal for both landlord and tenant, and means potentially thousands of individual leases do not have to be drawn up, with all the time and cost that implies.

The government is working with a number of representative and expert bodies to tackle specific problems as well as getting the overall approach right. For example, we are backing the 'Distressed Retail Property Taskforce,' chaired by the British Council of Shopping Centres. This brings together the public and private sectors, with experts from banking, retail, local government and the property industry. They are looking at the challenges which face towns with particularly high rates of empty property with a view to identifying how these areas could be effectively regenerated.

# The Future of High Streets: what next

Building on the foundations of Mary Portas' High Street Review and expanding on the success it is generating, the future of local town centres and high streets is now being put into the hands of those who know them best.

## Building on the Portas Pilots

The Association of Town and City Management will lead a £1 million, 2 year programme of work to support and develop high streets and town centres, providing support on business planning, offering advice and developing 'how to' guides. The programme is designed to develop high streets fit for the 21<sup>st</sup> century, and will look at how communities can plan to meet their changing needs: from adapting to climate change and an aging population, to developing markets and pop up shops, to creating more housing and attracting volunteers. More than thirty major organisations have already signed up to support this approach, including the Association of Convenience Stores, the Local Government Association, the National Trust, the Federation of Small Businesses and Boots. The results will be improved leadership within communities, a broader take-up of innovative ideas, and best practice shared around the country.

## The Future High Streets Forum

The Forum will identify ways of tackling some of the key challenges which are common to many high streets around the country. We'll be looking for Forum members to identify how to make visiting the high street more attractive and affordable through competitive parking charges, and how to make the most of the pop-up shop model to further reduce empty property problems. Business in the Community will be working to galvanise business support around this model.

## Business Improvement Districts

DCLG will shortly be announcing details of a loan fund to help those who wish to set up Business Improvement Districts. This is a model for businesses to club together and fund projects to tackle specific common problems and improve the local trading environment. Business Improvement Districts might, for example, support local branding or marketing campaigns, work together to improve business waste management, or provide shared facilities like wi-fi. 95% of business improvement districts continue beyond their agreed original term, showing that businesses see the value in them.

## The X-Fund and High Street Renewal Awards

To reward success and innovation, DCLG will shortly be announcing the results of this award scheme which will provide extra funding to areas with creative and effective ideas for supporting their high streets.

# Success stories

Dartford is one of the Portas Pilots. They introduced a Sunday trading day with free parking and subsidised advertising, which led to a 20% increase in trade for some shops. They are now looking at introducing free wi-fi in the town centre in partnership with major service providers. As part of this, there will be a loyalty app and a click and collect service. They have opened up a community shop in the town centre which is acting as a village hall in the heart of the town centre, provided free by the local shopping centre. A number of pop-up shops have also opened for business, and take up from start-up businesses has been good. The town team has attracted £300,000 worth of additional funding or services in kind.

Since the High Street Innovation Fund money was received, Manchester City Council has spent considerable time engaging with businesses, landlords and individuals or organisations wishing to move onto the high street. They are currently focusing on delivering three exemplar projects, each of which is to be supported with £20,000. One of these is 'Project X: the North Quarter Design Festival'. This is bringing the creative talent of staff and students from the Manchester School of Art at Manchester Metropolitan University together with the businesses of the Northern Quarter to deliver a 2 day festival of art and design exhibitions in May. This will involve workshops to inspire the students to create installations to capture the public interest and design of installations and artworks. Students will showcase their installations at the art school and in a currently disused space in the heart of the Northern Quarter. In total 40 retail businesses will work with over 800 students. 4 empty properties will be brought back into use, and over 20 retail window spaces will be redesigned.

Ashfield has begun using 'Meanwhile Use' leases to ensure that properties are not left empty simply because there is no suitable retail business. Instead, empty properties are being used for community groups, charities, tourist information and even art galleries. The Council has been offering micro-grants, matched-funding and lower charges to attract new businesses to market stalls.

Analysis showed the Town Team in Stockport that parking policies were putting people off visiting the high street. They worked with the council to come up with sensible and attractive proposals: such as moving to cheap hourly rate parking in the town centre and the district centre, replacing pay and display with pay on foot in the largest town centre car park which encourages people to stay longer, introducing cashless payments with smartphone apps and investing in the structure, lighting, security and look and feel of the car parks.

Keith Smith opened his business, Natural Ingredients, in Fleetwood during Love Your Local Markets Week last year. He trades at all market days in Fleetwood. The stall has become the base from which he sells into local retail outlets like specialist markets and foodhalls. He describes the stall as the showcase for demonstrating the produce to new customers. He initially hoped to be selling 1,500 jars of produce a month but has already expanded to 3,500 a month, and now employs two members of staff.