



# Government response to the British-Irish Parliamentary Assembly report on The Revitalisation of the High Street

Presented to Parliament by the Secretary of State for  
Housing, Communities and Local Government by Command  
of Her Majesty



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## Introduction

We welcome the British-Irish Parliamentary Assembly report on The Revitalisation of the High Street, which was published in October 2019.

This Government has a plan to unite and level up cities, towns, coastal and rural areas across our country, and our town centres and high streets are a key part of this. They are a crucial part of our communities and local economies that create jobs, nurture small businesses and inject billions of pounds into our economy. People are looking for a range of experiences when they visit a high street, from leisure to health services, and care about their high streets and town centres because they are the centres of their community.

We recognise that changing consumer behaviour presents a significant challenge for retailers in our town centres and we are taking action to help town centres and high streets adapt and evolve. We want to see our town centres and high streets thrive, becoming vibrant hubs where people live, shop, use services, and spend their leisure time - and that includes a welcoming and safe night-time economy.

This is why in July 2018 we commissioned Sir John Timpson to chair a review of how to make our high streets thrive and following the recommendations from the panel we launched *Our Plan for the High Street* at Autumn Budget 2018 which included an initial £675 million for the Future High Streets Fund and a commitment to support local leadership with a High Streets Task Force, giving high streets and town centres access to expert advice needed to help local areas to adapt and thrive.

In July 2019, the Prime Minister announced the £3.6 billion Towns Fund to re-energise local economies. This included an additional £325 million for the Future High Streets Fund, bringing the total to £1 billion. The Future High Streets Fund will support local areas in England to renew and reshape town centres and high streets in a way that improves experience, drives growth and ensures future sustainability. More than 300 local authorities bid for a share of the funding in Round 1 and over 100 places have been successful in progressing to the next phase of developing detailed business cases..

This Government recognises the pressures facing high streets across the country. Business rates policy is a devolved matter and is therefore the responsibility of the respective Governments of Scotland, Wales and Northern Ireland. To support small businesses in England, in response to Covid-19 the Government announced at Budget 2020 that it is temporarily increasing the business rates retail discount available to retail properties such as shops, restaurants, cafes and pubs to 100%, up from one-third, and expanding eligibility to include hospitality and leisure properties for 2020-21. In addition, a new pubs discount will be introduced for 2020-21, with £5000 being taken off the business rates bills of eligible pubs. Around 17,000 pubs are expected to benefit from either this discount or the 100% expanded retail discount.

These measures are in addition to wider business rates reforms and reductions benefitting all ratepayers. Since Budget 2016, the Government has announced reforms and reliefs worth more than £13 billion to business in England over the next five years. This includes switching annual indexation from RPI to CPI and making

small business rate relief permanent and more generous. Taken together with the expanded retail discount, this means an estimated 900,000 properties, or 45% of all properties in England, will receive 100% business rates relief in 2020-21. In addition, the Government published at Budget the Terms of Reference for its fundamental review of business rates, which will conclude in the autumn.

We also recognise that high streets and town centres need to be able to quickly adapt to changing consumer behaviour. To support areas to respond quickly to their community's demands, new permitted development rights were introduced on 25 May 2019, changing planning rules to allow more change of use between premises. These enable businesses to adapt and diversify to respond to emerging consumer demands with a wider range of retail, residential and other uses.

These measures depend on successful and positive local leadership, which we are committed to supporting through the High Streets Task Force. Over five years this is providing hands-on support to local areas to develop data-driven innovative strategies and connect local areas to relevant experts. The Task Force, hosted by a consortium led by the Institute of Place Management, is also providing training and help to improve coordination between different groups working to improve their high streets. The Task Force will be piloting on the ground interventions, individual products and services in 20 places in early 2020, before rolling out expert, training and data offer across the country later in the year. The places benefitting from being part of this pilot will be a mixture of local authorities, Business Improvement Districts and community groups.

We are also continuing to celebrate best practice through the Great British High Street awards, with the winners of the 2019 awards named at a ceremony in Edinburgh on 23 January 2020. In addition to the awards, we are supporting high streets through piloting an Open Doors project in five town centres to bring empty properties back into use by matching landlords of vacant premises with local community groups looking for space. Since July 2019 more than 25 community groups have benefitted from using the spaces. Further, as the issue of high street ownership is complex and involves numerous stakeholders, we have decided to create a public survey to understand the issues faced by businesses, community organisations and other high street stakeholders.

This Government also recognises that high streets and town centres are just one of the most visible parts of a town's economy. We know there are wider pressures acting across the economy, which play out differently in different areas: changes in demographics, technology, and trade patterns all contribute to the changing face of our country's places.

The Government believes that high street investments should be designed to complement wider plan shaping a local labour market or functional economic area, often going far beyond the town itself and taking in its neighbours and hinterlands.

In England we are grasping this challenge through our work with authorities at all levels: local authorities through Town Deals; LEPs and MCAs developing local economic strategies such as Local Industrial Strategies; and pan-regional bodies such as the Northern Powerhouse and Midlands Engine in response to those challenges which need a response across many distinct local economies.

We thank the Committee for their helpful recommendations. We encourage all those with an interest in high streets, particularly local leaders, landlords and retailers, to consider how they can take the Committee's recommendations on board in their own decision-making processes.

The challenge of rebalancing the functions of our high streets and town centres is a real priority for towns and cities across the nation. Having adapted successfully before to new demands, we believe that places can and will do so again. This Government remains committed to helping with this.

## **Response to recommendations**

The Assembly's report has highlighted a wide range of issues affecting high streets and the Government has considered the report's findings and recommendations carefully in formulating its response below. In some cases, the recommendations have been grouped thematically and a single response has been provided.

We welcome the Assembly's consideration of the action needed from various stakeholders to redefine our high streets and ensure their long-term sustainability. We believe the following responses to the recommendations demonstrate our strong commitment to helping high streets adapt.

The text taken from the Assembly's report is highlighted in bold.

### **1. Practical action local government, business groups and communities can take now to help the high street**

#### **1.1. Leadership and community buy-in for regeneration projects**

**1.1.1. Towns and cities should develop evidence-based local plans which set out a clear long-term vision for the high street. The plans should include time-based targets, strategies to secure extra funding and aim to secure buy-in from businesses and the local community.**

**1.1.2. Applications for government funding for high street regeneration should use funding criteria which encourage local community buy-in, long term planning and clear lines of responsibility in the local area. Where projects do not meet these standards, applicants should be signposted to resources which can help improve planning and strategy.**

**1.1.5. Local plans should draw on social, historical and geographical features of the locality to build a sense of community and enhance the uniqueness of the local offer.**

#### **Response:**

We welcome the report's recommendation on leadership and community buy-in for regeneration projects, and we are very supportive of the approach set out. Following the announcement of the £3.6 billion Towns Fund in July, we published a prospectus in November 2019 setting out how 100 places can begin the process of agreeing a Town Deal worth up to £25 million per place. Places are required to form a Town Deal Board and draft a Town Investment Plan. The type of evidence-based local plans covered in recommendation 1.1.1. align with the content of the Town Investment Plans set out in the Towns Fund prospectus.

A Town Investment Plan sets out a clear understanding of a town's area, focusing on its assets, opportunities and challenges. Town Investment Plans are essential in setting out the background, context and evidence of need for suggested interventions, as well as a vision for the town which complements agreed or emerging local economic strategies, and a high-level description of short, medium- and long-term priority areas.

They should complement other pre-existing strategy documents that have been developed with local partners to avoid duplicating efforts, and where necessary build on these to meet the expectations set out in this prospectus. For instance, it will be important to align with Local Industrial Strategies, Skills Advisory Panel analysis, local environmental strategies, Local Plans and Spatial Development Strategies, and Local Transport Plans. It is also important that the Plans be cognisant of wider strategic approach being taken through the Northern Powerhouse, Midlands Engine, Ox-Cam Arc and other pan regional strategies. The Plans should detail high Value for Money interventions that will drive economic growth.

Applications for the Future High Street Fund announced at Budget 2018 also required a vision for the high street, which covered criteria that align with those set out in the above recommendations. Three themes were used in order to select the high streets to receive revenue funding to draft businesses cases for their proposed projects. These themes were: 'Defining the place', which incorporated the geography of the high street and town centre, including the link to the wider economic area; 'Setting out the challenges', which required an evidence-based assessment of the issues facing the area and why central government funding is required to tackle them; and 'Strategic ambition', covering how central government funding will support the area and help overcome these challenges, with detail of engagement with stakeholders and alignment with other funding streams. We set out an expectation that places link to the delivery of emerging Local Industrial Strategies and any wider strategic vision for the area at various levels, and that places should show proof of engagement with, and support from, a number of stakeholders including Mayoral and non-Mayoral Combined Authorities, Local Enterprise Partnerships, Business Improvement Districts and community groups.

Shortlisted high streets for the first round of Fund have received up to £150,000 revenue funding to support development of project plans and business cases to meet their visions of their place.

Further guidance, to be published in due course, will provide details about opportunities for the Towns Fund to be aligned with the Future High Streets Fund and funds run by other government departments.

Finally, in order to support areas, the High Streets Task Force will help support towns and cities develop evidence-based local plans for their high streets and town centres. The Task Force will provide high streets with access to experts, including support on developing a shared vision in some areas, and to data, guidance and best practice to support the evidence base behind local plans. More information about the High Streets Task Force is also provided in the response to recommendation 3.3.1.

**1.1.3. Appointing a named individual, such as a local council representative, to lead the regeneration and engage the local business community can help to coordinate efforts across the different stakeholders and drive change.**

**Response:**

We recognise the importance of local leadership to the success of a high street and providing support to local leaders was a key recommendation of the Expert Panel led



by Sir John Timpson. We also agree that this leadership requires collaboration with a range of different stakeholders in a particular high street.

The High Streets Task Force, announced at Budget 2018, will promote collaboration at a local level and will support local leaders. It will work with a range of different types of group to help to ensure that local high streets reflect the wants and needs of their communities and include the views of their stakeholders. It will also work with stakeholders at a national level to improve collaboration in high streets and town centres across sectors.

The High Streets Task Force is currently piloting its products and services in twenty locations before rolling out its offer to places across England later this year.

**1.1.4. Local business communities should come together to work out the opening hours and access which suits the community best and meets the needs of the local retail base.**

**Response:**

We agree that local business communities should work together and seek to meet the needs of the local retail base. As the leaders of local businesses, Business Improvement Districts (BIDs) play a key convening role by bringing the business community together to ensure that the open hours and access of businesses suits the needs of the community and local retail base. BIDs often facilitate late-night opening events to drive footfall, and we would like to see them continuing with these types of initiatives.

BIDs are a tried and tested model of managing high streets, town centres, and business areas. They are vehicle for leveraging funding for local growth and regeneration, and they institutionalise a new layer of local leadership at the very heart of communities. The government is very keen to see more BIDs established but recognise that their development requires significant up-front expenditure.

We are committed to supporting BIDs as they have been a key tool in providing business-led improvements to local areas since 2004, and they remain an important part of our high street and town centre agenda. In October 2013 we launched a £500,000 recyclable Loan Fund which is managed by British BIDs. Each successful applicant can receive up to £50,000 to help set up a BID. 29 areas have received loans worth over £950,000 from the Fund. So far 19 BIDs that have received funding have been successful at ballot and will be repaying their loan.

## **1.2. Experiential shopping and urban planning**

**1.2.1. A mix between retail and experiential attractions should be encouraged. Local authorities and bid groups can improve the experiential offer through organising events and promotions.**

**1.3.4. Local authorities can promote the high street and city centre using events such a half-marathon or race days, or promotions such as restaurant weeks to drive footfall.**

### **Response:**

We agree that ensuring a mixture of retail and experiential attractions is important for attracting people to their local high street and promoted this approach in our response to the HCLG Select Committee's inquiry into high streets and town centres in 2030.

Many high street communities are taking an innovative approach to their offer, providing a diverse range of businesses, services and events in order to attract people to spend not just their money, but their time. In the best examples of this, local authorities work with businesses and the community to deliver a high street offer that fits the community's needs.

As the leaders of local businesses and managers of their places, BIDs play a key role with the local authority to curate the offer in their places, by bringing together the business community and wider stakeholders to develop a vision for their place that has the support of the local community. This vision can reflect on the mix of business types, including but not limited to retail and experiential attractions such as cultural venues, to ensure that their town centres and high streets continue to thrive.

Many BIDs already play a key role in events management, to increase footfall and drive interest in their places, and we would like to see them continuing to develop this role.

Further, the Great British High Street Awards provide a platform for sharing best practice across the high streets sector. The Awards have highlighted a range of examples from high streets across Great Britain and Northern Ireland that have involved events and offers to encourage footfall.

For example, Barrow-in-Furness, which was shortlisted for the Rising Star category in the 2019 awards, held its inaugural Soapbox Challenge event in June. The event was sponsored by BAE Systems and had support from the local authority, and it is estimated that between 13,000 and 14,000 people attended the event. The local business improvement district cited that the event provided a major economic boost to the town, to the extent that a second event has been organised for 2020.

Another example of a local authority taking a creative approach to instilling civic pride and attracting people to the high street was Altrincham's Perfect Day in May 2019. One of the recommendations from the Expert Panel led by Sir John Timpson was for a 'National High Street Perfect Day', a day where everyone associated with a high street works together to make it look and feel the best it possibly can. This initiative is

based on a model successfully used by a number of retailers, including Timpson's, where individual stores have their own perfect day.

Altrincham was the pilot town trialling the High Street Perfect Day. The local BID, Altrincham Unlimited, worked with Trafford Council to provide a range of toolkits for businesses and services such as litter-picks to prepare the town for its Perfect Day. On the day itself, the organisations collaborated with local schools to put on Altrincham's first High Street Festival, with a host of stalls, activities and events aimed at drawing people to the town centre. The event led to positive impacts for the town, with dwell time increasing by 16.67% on the day of the festival. Representatives from Altrincham Unlimited praised the initiative for bringing people to the town centre and found the high street festival to be such a success that they are organising another event in 2020.

The Government encourages local authorities to work with businesses and community groups to promote their high street in innovative ways such as these.

### **1.2.2. Businesses should investigate the possibility of providing services additional to the retail offer.**

#### **Response:**

We recognise the retail sector is going through a difficult transition as it responds to market pressures from a range of factors including changing consumer expectations and behaviour towards online shopping.

We encourage retailers to adapt to meet these changing consumer expectations and needs – and note that many retailers are already doing so. For example, Primark's flagship store in Birmingham offers hairdressing and beauty services, IKEA offer a design and planning service using CAD systems through their digital service store in Tottenham Court Road whilst many smaller retailers offer click and collect services for packages, linking up with the e-commerce sector.

We continue to work with the retail sector to identify the key pressures and the steps that can be taken by Government and the sector to address them. This is why we established the Retail Sector Council in 2018 to bring Government and industry together to boost the sector's productivity and economic health.

We also encourage BIDs to lead business-led improvements to high streets and town centres and to play a key role with the local authority to curate the offer in their places, and have established the High Streets Task Force to provide a range of best practice examples highlighting how more successful high streets often provide services additional to the retail offer. The High Streets Task Force will help local places to assess the impact of such diversification of their offer through the provision of localised data and training.

**1.2.3. Local authorities should adopt a strategic and planned approach to manage very large retail spaces which no longer suit the needs of the retail market. Avoiding over-use of undesirable or low-quality retail units.**

**Response:**

We agree with the report's recommendation that local authorities should adopt a strategic and planned approach to the needs of the local retail market.

The Government has amended national planning policy to underline the importance of local authority leadership in developing a clear vision and strategy for the future of their town centres to support their vitality. This will need to be based on up to date evidence about each centre's role and purpose and involve local stakeholders such as property owners to help deliver that vision, meeting economic and community needs.

A planning application is always required for an additional hot-food takeaway, a betting shop and a pay day loan shop, allowing the local authority to determine the application in accordance with the local plan. We continue to keep the use classes order under review.

In addition to planning policy, this government is supporting changes to town centres and high streets to ensure that they are fit for the future. The Future High Streets Fund announced at Budget 2018 aims to renew and reshape town centres and high streets in a way that improves experiences, drives growth and ensures future sustainability. One of the ways it will achieve this is by supporting investment in physical infrastructure, and local authorities that submitted applications for the first round of the Fund were required to set out their strategic approach to tackling the issues faced by their high street. Shortlisted high streets for the first round of Fund have received up to £150,000 revenue funding to support the development of their project plans and associated business cases. Further details of the application criteria are set out in our response to recommendations 1.1.1, 1.1.2 and 1.1.5.

**1.2.4. Tech hubs and co-operative working spaces for professionals who can work flexibly due to digital nature of their job can be good options for diversification in smaller provincial towns.**

**Response:**

We agree with the report's recommendation that high streets with a wide choice of retail services alongside well-designed and planned residential and office space are more resilient to the challenges facing the high street and are adapting more successfully. This will include, where appropriate, the development of new tech hubs and co-operative working spaces.

In contrast, the evidence shows that high streets that rely heavily on traditional retail without sufficient office space and housing surrounding the high street have found it harder to adapt to these challenges and tend to be the ones that are struggling<sup>1,2</sup>.

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<sup>1</sup> Public Health England (2018), Healthy High Streets

<sup>2</sup> British Property Federation (2016), Town Centre Investment Zones: Getting investment back into the high street

To support this approach and to encourage diversification, the Future High Streets Fund asked local authorities to define the challenges faced by their high streets, to set out their overarching strategic ambition for what the high street or town centre should become and what needs to be done to make this possible.

We anticipated that local authorities would identify the acquisition and assembly of land including to support new housing, workspaces and public realm developments. The revenue funding provided to high streets that were shortlisted for the first round of the Fund will enable local authorities to develop detailed business cases of their proposals to tackle the issues identified.

### **1.3. Attracting visitors and increasing dwell time: public realm improvements and place making**

#### **1.3.1. Council and city centre bodies need to get the basics right in terms of clean and safe streets, good transport links and access.**

##### **Response:**

We welcome the report's recommendation regarding public realm improvements and place making. People care about their high streets because they are the centres of their community, and we want our high streets to be vibrant hubs where people choose to live, shop, use services and spend their leisure time.

The Future High Streets Fund is providing co-funding towards capital projects that bring transformative change. We want to see the regeneration of our town centres through innovative proposals around transport, housing delivery and other public services. We understand that no two high streets are the same, and we are looking to work with visionary local leaders who understand what their local communities will need in the years to come.

As outlined in the response to recommendation 1.2.3, the Fund will encourage transformative change through supporting investment in physical infrastructure, and local authorities that submitted applications for the first round of the Fund were required to set out their strategic approach to tackling the issues faced by their high street. We expected identified need for investment to fall under a number of themes, including investment in physical infrastructure, acquisition and assembly of land including making improvements to the public realm and improvements to transport access, traffic flow and circulation in the area. As referenced in response to recommendation 1.2.3, shortlisted high streets for the first round of Fund have received up to £150,000 revenue funding to support the development of their project plans and associated business cases.

We know that communities that take pride in their high streets are often those that are most successful. In Crickhowell, the 2018 winner of the Great British High Street Awards, the community had 150 volunteers from the local community cleaning their high street prior to the judges' visit. Their winning entry demonstrated the strength of their community and local pride in their high street.

In support of this approach, many BID's have worked closely with their local authority and local enterprise partnership to organise public realm improvements, to make their

places more accessible and appealing to visitors and the local community, and we will continue to support them to do this.

In addition, in March 2019 the Government's High Street Community Clean-up programme provided lower tier local authorities in England with £9.75 million to work with community groups to give their local high street a spring clean. Local authorities, in partnership with community groups, could use this grant as seed funding for community groups, or to fund activities to clean up high streets which they did not previously have the resource to take forward. This programme reflected our commitment, set out in the Litter Strategy, to empower communities to channel their passion for their local environment into positive action and to support local clean-up activity. It also put into action the recommendation of Sir John Timpson's Review that everyone locally should come together to make their shopping streets look the best they possibly can.

### **1.3.2. Local authorities and community leaders should help businesses in the community to access and apply for funding such as shop front renewal and small public realm improvements like flowers, seats, green areas, pop-up interventions, etc.**

#### **Response:**

We encourage the recommendation set out in the report that local authorities and community leaders should work with businesses on improvements to shop frontage and public realm.

As part of their role as place managers, many BIDs already have taken the lead in identifying ways of improving their spaces. Many BIDs have worked closely with their local authority and community groups to organise small public realm improvements, to make their places more accessible and appealing to visitors and the local community, and we will continue to support them to do this.

We know that a number of local councils and BIDs provide grants for shop frontage. Improvements to shop front signage were part of the entry of 2019 Great British High Street Awards finalists Ashby de la Zouch and Barrow-in-Furness.

The High Streets Task Force will help to promote collaboration between business, local authorities and community groups and will help to promote best practice in high streets.

### **1.3.3. Appealing to and catering for a specialist audience can be a good way to attract people to the high street; for example, sci-fi market, autism friendly high streets, railway enthusiast fair etc.**

#### **Response:**

We welcome the report's recommendation for how to attract people to the high street by creating a destination offer.

As consumer patterns change and spending increasingly moves online, our expectations of high streets are changing too. A renewed emphasis on 'experience' brings convenience, valuable services and a powerful sense of the community to the

fore – that intrinsic desire for something that cannot be replicated online. Where this has been achieved successfully, it can transform a community.

The Great British High Street awards provide an opportunity to share best practice from across the country's high streets, with many entries to the competition highlighting how high streets are appealing to and catering for specific demographics as part of their offer. For example, Prestwick has introduced a "relaxed lane" in a leading supermarket chain as part of their dementia-friendly initiative.

#### **1.4. Targeted support for local businesses**

##### **1.4.1. Local authorities and bid groups should help businesses to embrace new trends for experiential and online shopping through training and targeted supports.**

###### **Response:**

We recognise that changing consumer behaviour presents a significant challenge for retailers in our town centres and the Government is taking action to help town centres and high streets adapt and evolve.

As the leaders of local businesses and managers of their places, business improvement districts can play a key role with the local authority to help support businesses evolve and adapt to the change nature of retail, and embrace new trends such as online shopping and experiential retail, to keep their town centres and high streets vibrant by helping them to adapt to changing consumer behaviour.

Many examples of local authorities and BIDs supporting businesses can be found through the Great British High Street awards. Finalist Narberth were commended by judges for their appointment of a social media consultant to help their high street embrace new audiences. Hitchin have also launched a new innovative recycling scheme where the town centre rangers collect used coffee ground from businesses, send them off to a recycling centre where they're made in brisket logs for wood burners and stoves. Coffee logs can be purchased (at wholesale price) by local businesses to sell in store and make a profit.

We also encourage the work of BIDs on high streets and town centres to offer training and support to businesses. Our work to support BIDs is set out in response to recommendation 1.1.4.

##### **1.4.2. Local leaders should be willing to test new ideas to attract visitors and try innovative and evidence-based street layouts and interventions.**

###### **Response:**

The High Streets Task Force will help to support local leaders, in BIDs, local authorities and the civic sector to try new, evidence-based interventions. It will do this through provision of localised data, promoting best practice and providing places with access to training and experts.

This will include providing expert advice to local authorities, including on planning, data and design. This advice will be prioritised according to need and will include experts

from the Royal Town Planning Institute (RTPI), Institute of Place Management (IPM,) Royal Institution of Chartered Surveyors (RICS,) the Design Council and the Landscape Institute.

## **1.5. Access to the high street and town centre**

### **1.5.1. Public realm and street layouts should be well-designed and meet the needs of the locality, particularly in regard to parking, traffic management and public transport.**

#### **Response:**

High streets are changing, and the Government is committed to helping communities adapt. We want to see vibrant hubs where people live, shop, use services, and spend their leisure time, and that includes a welcoming and safe night-time economy. Planning applications for development should therefore look to create places that are safe, secure and attractive and minimise the scope for conflicts between pedestrians, cyclists and vehicles; avoid unnecessary street clutter; and respond to local character and design standards.

To support this, we are currently updating our Planning Practice Guidance and have worked with key stakeholders to ensure our guidance reflects the revised National Planning Policy Framework (NPPF). As part of this, we recently updated the Town Centres and Retail guidance to highlight the planning tools available to local authorities to help them meet local needs. We will also be publishing guidance on Sustainable Transport and Accessibility in due course.

The NPPF supports a plan-led system, allowing areas to shape their vision for the high street and provide for a mix of retail, leisure and residential uses. In relation to parking and street layout, Paragraph 106 states that maximum parking standards for residential and non-residential development should only be set where there is clear and compelling justification that they are necessary for managing the local road network, or for optimising the density of development in city and town centres and other locations that are well served by public transport.

For example, factors which should be taken into account when setting local parking standards include: the accessibility of the development; the type, mix and use of development; the availability of opportunities for public transport; local car ownership levels, and the need to ensure an adequate provision of spaces for charging plug-in and other ultra-low emission vehicles.



## **2. Recommendations for policy change by national governments to future proof the high street**

### **2.1. Tax and funding measures**

**2.1.1. Local authorities should be given increased powers to set and adjust business rates.**

**2.1.2. Governments should undertake consultation and research on appropriate digital sales tax so that business rates on bricks and mortar shops do not disproportionately punish high streets. This must be designed so as not to place an additional charge on small rate-paying businesses with an online presence.**

#### **Response:**

The Government recognises that tax and funding measures are an important issue for both local authorities and businesses on the high street. Business rates are a devolved policy matter. Local authorities in England already have broad discretionary powers to grant up to 100% business rates relief to their local businesses.

Retail is changing, and the high street is too. The Government wants to help businesses manage this transition, but there is a risk that a tax on online sales could increase the tax burden on retailers and increase prices for consumers.

Budget 2020 confirmed that the Digital Services Tax (DST) announced at Budget 2018 will be introduced in April 2020. The DST is intended to ensure businesses operating in-scope digital services pay their fair share of tax, but is not designed to change the balance of taxation between online and physical retailers.

The Terms of Reference of the Government's fundamental review of business rates set out that the review will explore alternative taxes to business rates.

### **2.2. Building residential housing in town and city centres**

**2.2.1. Encourage residential use in town and city centres through rezoning of commercial and brownfield sites and ensure there is a mix of private and public housing and a variety of tenures available.**

#### **Response:**

We welcome the recommendation regarding building residential housing in town and city centres. We want our high streets and town centres to be vibrant areas of activity, where people live, shop and use a range of services. Planning policies should recognise that residential development often plays an important role in ensuring the vitality of centres and encourage residential development on appropriate sites.

To encourage the take-up and prioritisation of suitable brownfield land for development, especially new homes, our National Planning Policy Framework says planning policies and decisions should give substantial weight to the value of using suitable brownfield land within settlements.

The Framework urges more efficient use of land and says planning policies and decisions should:

- Support opportunities to remediate degraded or contaminated land;
- Promote the development of under-utilised land, especially for housing where land supply is constrained; including space above shops, car parks and rail infrastructure;
- Use airspace above existing residential and commercial premises for new homes, including well-designed upward extensions if consistent with the prevailing height and form of neighbouring properties and the street scene;
- Support the use of retail or employment land for homes in areas of high-demand if it does not undermine key economic sites or the vitality and viability of town centres and is compatible with other Framework policies.

However, brownfield sites vary greatly, and local authorities are best placed to assess the suitability, viability and availability of each. Every local authority publishes a register of brownfield land suitable for housing, including all sites likely to be developed within 15 years.

Permission in principle allows housing-led development at sites on brownfield registers, giving certainty from the outset that redevelopment is acceptable in principle. This is primarily targeted at SME housing developers to support their growth and promote competition.

Practical support for the take-up of brownfield includes:

- A £4.5 billion Home Building Fund providing loan funding, some for brownfield;
- Wider permitted development rules allow under-used buildings to become new homes, though good design is essential.
- A £1.3 billion Land Assembly Fund enabling Homes England and the GLA to work with developers to bring forward strategic sites for housing;
- Land funds, which aim to unlock stalled public sector sites for housing through remediation and infrastructure investment
- £290 million loan finance from the Estate Regeneration Fund;
- Land Remediation Relief deducts 100% from corporation tax, plus a deduction of 50%, to help companies clean up contaminated land;
- Local authorities benefit from New Homes Bonus when long-empty homes are brought back into use;
- And disposal of public sector brownfield for new homes.

**2.2.2. Tax incentives should be introduced or expanded for developers to convert empty upper floor retail space into residential housing and build new accommodation in the town and city centre. The resulting housing should be of an adequate standard and subject to fair and affordable leases.**

**Response:**

We acknowledge the report's recommendation regarding tax measures to support residential developments in town and city centres.

The Government is focussed on reforming the planning system to encourage change in this area. As part of this, the Government is reviewing permitted development rights for conversion of buildings to residential use, as we seek to ensure quality homes are delivered. These rights can bring new residents to the town centre and contribute to the regeneration of the high street.

**2.3. A vacant site levy**

**2.3.1. Introduce a register of land ownership to get past the problem of fragmented ownership which exacerbates vacancy issues and underused space. Local authorities need to be able to find out who owns which properties and take action through CPO. Local authorities should be given the power to take vacant properties back into use if the owners cannot be found after sufficient enquiries have been made.**

**Response:**

We acknowledge the report's recommendation regarding introducing a register of land ownership.

In Autumn Budget 2018 the government announced plans for a register of empty commercial properties, as part of a wider suite of high street initiatives. The proposed register aims to address the challenge of fragmented ownership by improving transparency of ownership on high streets, making it easier to take out a lease on a vacant commercial property. Because of the complexity of commercial leasing and vacant high street premises, the government launched a survey on 30 December 2019, open for six weeks, to better understand experiences of high street stakeholders as they relate to this issue.

Should the register progress following the survey results, there are currently no plans to extend it to include further compulsory purchase powers. Local authorities currently have various compulsory purchase powers which they can use to acquire and develop empty property, and these powers can be exercised where owners are unknown or unresponsive. However, compulsory purchase is intended as a last resort and there must always be a compelling case in the public interest to justify interfering with a person's property rights.

### **2.3.2. Introduce a vacant site levy in the uk with the levy amount relative to the market value of the property.**

#### **Response:**

The Government recognises the impact that vacant sites have on the attractiveness and performance on a high street.

We encourage landlords to avoid leaving commercial properties lying vacant, and we have set up the Open Doors pilot to help tackle this issue. Managed by the Meanwhile Foundation, the pilot matches landlords struggling to find tenants for their empty properties with community groups looking for space. Since launching in five town centres across England, more than 25 community groups have benefitted from using the spaces.

We have also launched the survey referenced in response to recommendation 2.3.1, which seeks to understand the experiences of high street stakeholders with regards to empty properties.

In England, business rates are generally not payable on retail properties in the first three months that a property is empty. After this period rates are payable in full. This provides an incentive to encourage owners of empty property to bring their properties back into use whilst recognising it can be challenging for owners to let their properties.

### **3. Other areas of government policy which overlap with high street regeneration**

#### **3.1. Government policy on alcohol licensing.**

**3.1.1. Changes to alcohol licensing laws should be introduced to allow small venues to capture the benefits of the night time economy. In Ireland, applications for late licenses should be made through local authorities instead of through the Courts.**

The body of the report states: **‘Changes to alcohol licensing laws to allow small venues to capture the benefits of the new night time economy should be explored. For example, a small brewer or bookshop with a bar can open late and become an experiential destination which adds to the night-time economy. In Ireland, applications for late licenses must be made through the Courts on a case-by-case basis, which is a costly process. The Dublin Town BID group advocates that late licences be granted by local authorities, not the Courts. In England and Wales, alcohol licenses are granted at local council level and can cost between £100 to £1,905 depending on the rateable value of the premises.’ (Paragraph 42)**

#### **Response:**

A key component of vibrant high streets and town centres is a welcoming and safe night-time economy.

In England and Wales, fees under the Licensing Act 2003 are intended to recover the costs to licensing authorities of administering the licensing system. They are prescribed in legislation and have not been increased since the 2003 Act came into force in 2005. The Home Office has seen no evidence to suggest that fees at their current levels present a disincentive to new businesses. A reduction in licensing fees would have the undesirable consequence of transferring part of the burden for funding administration of the licensing system to the ordinary ratepayers.

Powers over alcohol licensing are devolved in Northern Ireland and Scotland.

#### **3.2. Roll-out of high-quality broadband.**

**3.2.1. Roll out of high-quality broadband is important for small towns to thrive, encourages start-ups and helps independent businesses get the advantages of going digital. Enable the creation of tech hubs and digital work spaces away from city centres.**

#### **Response:**

The UK Government agrees that high quality broadband is important for the whole of the country, including for small towns, starts-ups and independent businesses. Our Superfast programme has ensured that superfast broadband, providing download speeds of more than 24 Mbps or more, is available to over 96% of UK premises. This means that the UK has good superfast coverage compared to other countries. Our broadband Universal Service Obligation (USO) will also go live in March 2020, providing any remaining premises without access to decent broadband with the legal right to request to a decent connection providing 10 Mbps download speeds and 1 Mbps upload speeds.

In addition, the UK Government wants to further upgrade the nation's broadband connectivity and has an ambition to bring full fibre and gigabit broadband to homes and businesses across the UK as soon as possible. Full fibre coverage is currently around 10% of premises. As part of this ambition, we have announced our intention to invest £5 billion to support the deployment of full fibre and gigabit broadband to homes and businesses in less commercial areas through an “Outside In” approach.

### **3.3. Policy tool kits for local leaders and increased powers for local councils.**

#### **3.3.1. Governments should provide toolkits for local council and business groups setting out methodologies and best practice to collect data about high street use, foot fall and take feedback from local citizens issues so that strategic planning can be evidence based.**

##### **Response:**

We agree that local decision making should be evidence based. That is why we are supporting local leaders with the High Streets Task Force, which will give high streets and town centres the advice, training and information to adapt and thrive. A recommendation of the High Streets Expert Panel, chaired by Sir John Timpson, it will support local leadership to strengthen their high streets by providing local authorities access to experts, data and training for place leaders.

The Task Force is being run by a consortium led by the Institute of Place Management and is providing expertise across a range of subjects, including design, data, planning and place management, and to a range of places and organisations across the country

It will provide data dashboards to help to inform decision making and an online repository of resources, training and best practice to provide places with the tools to be able to make the best evidenced, locally-led decisions for their high streets.

In addition to this, it was also provide training for local place leaders on how best to use data.

The Task Force will also work with a range of groups, including business improvement districts, local authorities and community groups, to encourage local high streets to make decisions that have the support of their communities.

The Task Force is currently piloting its products and services before rolling out its offer to places across England later this year.

#### **3.3.2. Devolve greater powers to local authorities to curate how urban sites are utilised in the city centre to ensure retail and leisure offer from business works hand in hand with long terms plans for the area.**

##### **Response:**

We recognise the report’s recommendation for local authorities to have greater powers with regards to urban sites.

Local authorities have a range of powers that can be used to determine how a high street’s retail and leisure offer supports long term plans for the area. Local planning authorities

should approach decisions on proposed development in a positive and creative way. They should use the full range of planning tools available, including brownfield registers and permission in principle, and work proactively with applicants to secure developments that will improve the economic, social and environmental conditions of the area. Decision-makers at every level should seek to approve applications for sustainable development where possible.

In addition, and as covered in response to recommendations 1.1.1, 1.1.2 and 1.1.5, we encourage local authorities to have a long-term strategic vision for their high streets and town centres.

To support this, we are providing provision of data, spreading best practice and providing access to training and experts through the High Streets Task Force and have provided up to £150,000 revenue funding to shortlisted high streets to develop their plans and business cases for the first round of the £1 billion Future High Streets Fund. These measures will enable local authorities to effectively use the powers they hold to put in place their long-term strategic visions.

### **3.4. Rebalancing regional growths**

#### **3.4.1. Governments should examine the feasibility of devolving decision-making and moving external agencies and other government bodies from London and Dublin to smaller urban areas to encourage balanced regional growth.**

**Response:**

We welcome the report's recommendation on devolving decision-making. 37% of residents in England are now served by directly elected city region mayors - including almost 50% in the North – who have the powers to stimulate job creation, improve skills, build homes and make it easier to travel.

Mayoral devolution has strengthened local leadership and institutions, devolving key powers over transport, planning, skills and funding away from Whitehall so that they are exercised at the right level to make a difference for local communities.

Mayors are already playing an incredibly powerful role in driving economic growth, improving public services and giving local areas a real voice in local government.

This Government now wants to go further. As set out in the Queen's Speech the government is committed to "give communities more control over how investment is spent so that they can decide what is best for them."

The manifesto committed to publishing an English Devolution White Paper with a strategy to unleash the potential of our regions – covering plans for full devolution across England, levelling up powers of mayors and the future of local growth funding.

We want to expand the benefits of devolution across England through more devolution deals, so that we can put more trust in local people to choose what is best for their communities.

