



How the High Street can
deliver top Government
domestic policy priorities

John Parmiter

MANIFESTO FOR THE HIGH STREET

FUTURE HIGH STREETS

CREATE Streets

Foreword

At Create Streets we are fascinated by streets. We research how traditional towns and cities can best maximise wellbeing and long term value? Does it matter if streets are well-connected and beautiful? What types of development best correlate with happiness, physical health, knowing your neighbours – to say nothing of liking them? Crucially, what types of development will the public most support?

This is why we are delighted to co-publish this Manifesto for the High Street and to welcome the launch of Future High Streets. High Streets have been at the apex of technological and social changes over the last several generations: the arrival of the car: the generational shift to out of town shopping (and the partial shift back again); more recently the explosion in internet shopping and the changing patterns in planning policy from segregated uses to a dramatically greater support for mixed use. Too often, sadly, high streets have been the victim of events, of poor asset management, artificially high land values and misjudged planning policies.

John Parmiter is passionate about the high street. And he wants to puts the problems right. He brings many years practical experience of town planning as well as a firm grasp of the economics and of that most English of attributes - the art of the possible. We are still not quite convinced that a single governance structure is always right (at any rate we await more evidence) and we think (unlike John) that there are pros as well as cons to liberalising change of use permission. However, we do believe this short manifesto is an important and necessary revitalisation of the debate. We are delighted to co-publish it.

Nicholas Boys Smith
Director, Create Streets

Manifesto for the High Street

The High Street agenda has waned. Nevertheless restoring the vitality of high streets would be an excellent way to help achieve many of the new Government's highest domestic policy priorities. This Manifesto poses a challenge to the new High Streets Minister, Andrew Percy MP, to make the most of his brief by gathering up key domestic policy strands that could achieve something very significant – and very visible on the ground.

The High Street agenda to revive Britain's high streets has languished on the sidelines of Whitehall for some years now. However, it has the potential to reverse the awful conditions that doggedly persist and are so evident (and widely reported) that they don't need rehearsing here. And yet this agenda has such huge potential to deliver more, particularly if seen through a different lens. What is needed is a fresh commitment.



A new commitment and a new perspective

To date, the Government's High Street agenda has been driven by a fear of intervention. The response to the Portas Review was to spend £20m on "facilities management" initiatives - town teams, public realm improvements, events and shop-front enhancements – and supporting the Great British High Street prize. While good facilities management is essential for successful, it won't deliver structural change. Structural change requires systemically better *asset* management.

The Future High Street Forum now recognises the need for "restructuring" the High Street. Unfortunately, it risks being a talking shop that keeps Government from making policy. There have

been too many reports since *Portas* and too much talking. It is time for re-focusing and for action. The degree of market failure on the High Street cannot be ignored alongside the need for better facilities management-level initiatives.

A new commitment to a degree of intervention is needed. This should be coupled with actions to tackle six top domestic policy priorities: housing, the economy, social cohesion, crime, public finance and devolution to share power.

Policy priorities – why the High Street matters

Housing: Town and city centres are some of the most accessible places in the country and have huge potential to accommodate housing for starter homes, rental accommodation and other products suited to target groups such as young professionals, students and the 'active retired'.

Economic growth: Town and city centres (colloquially, the High Street) are among the most significant drivers of the local and regional economy. The state of our High Streets, however, is leading to poor productivity, poor service, low investment and sluggish growth.

Social cohesion: The town centre is a major confluence of activity, where people meet socially, use local services, visit places and work. The town centre also gives a community its main identity. When it's broken, people think the community is broken. There are huge regional, even local, variations, with too many northern town centres suffering some of the worst conditions.

Crime and anti-social behaviour: Broken centres are alienating places and can become a no-man's land. Riots tend to happen in town centres. But lived-in, well-kempt, places command greater respect and offer natural surveillance. A functioning evening economy keeps centres alive.

Public finance: Local government cuts are driving councils to find new sources of income and ways to reinvent themselves while doing so. Creating local investments that they can manage, is proving quite attractive. Consequently more councils are buying up their underperforming shopping centres and other town centre assets to derive an income and deliver an improved High Street.

Devolution: Local change is best delivered locally. The Prime Minister has signalled support for greater devolution. The Neighbourhood Planning Bill offers opportunities to plan better and more locally. But, on the ground, the town centre scene is becoming ever less governable with Business Improvement Districts (BIDs), Town Teams, Partnerships, Housing Zones, Neighbourhood Forums, not to mention a plethora of council services, with their own agendas (and boundaries).

Town centres need a single, effective, governance structure with good leadership that brings all the public and private stakeholders together.

Then, of course, there is the **High Street** agenda itself, where there remains an urgent need to enable our centres to respond to the macro-economic challenges they face. While *Portas* got the High Street

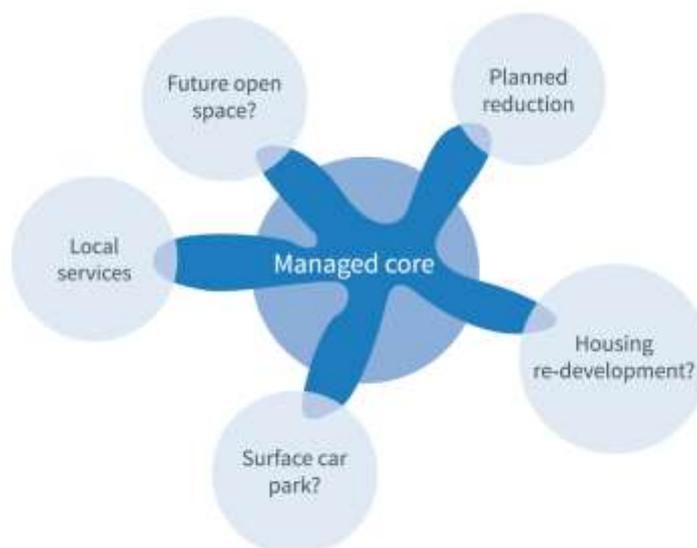
up the political agenda, Government efforts since have mainly focused on handouts, funding town teams and other “facilities management” solutions.

What is necessary now is to tackle underlying structural problems and enable local communities to create **investable propositions** that bring private sector investment back in to local centres AND deliver on all six policy agendas.

Opportunities

There are two main types of housing opportunity in town centres:

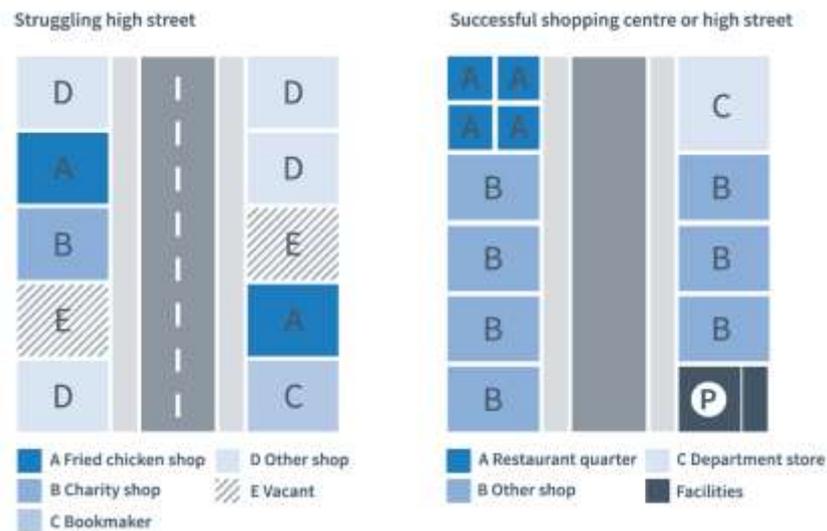
1. The **restructuring** of peripheral areas, where there is an excess of retail stock, to enable their redevelopment as housing, amongst other things, to deliver a more compact and manageable retail core.



Source: Town Centre Investment Zones. British Property Federation 2016

2. The **adaptation of** the core stock, to revitalise the “ground floor” occupiers and release the potential of vacant properties and under-used upper parts. This process of adaption and transformation is called **Town Centre Investment Management**¹. The process involves curating the retail/leisure offer, having pooled a critical mass of property assets into an investment vehicle. Policy Exchange illustrated the concept in this way:

¹ Described in a recent Government-funded feasibility study, drafted by the author while at Peter Brett Associates, with property advisors Citicentric and lawyers Bond Dickinson, for the BPF: Town Centre Investment Zones.



Source: Policy Exchange. 21st Century Retailing 2013

Getting underway

How is this transformation of the High Street – whilst delivering on so many policy priorities - to be achieved? I believe there are **three levels of action for Government** that would lead to greater and more effective action by the High Street interest groups, and especially the investment sector:

Level 1: Encouragement and support

This doesn't cost money. The Government can:

1. **Say something!** The sectors concerned with the High Street want to hear from Government. Councils want to know that intervention will be supported; investors want to know that their time and money invested in town centres will not be wasted; communities want to know it's worth tackling their town centre issues. A major policy statement is needed to pull together the strands in this Manifesto. There have been no significant policy statements in years.
2. **Encourage and support local leadership.** While in my experience little change happens locally without good, strong, local government leadership, there is lot the Minister can do to encourage action. Much of the actions outlined above cannot happen without some form of local intervention. Ministers can reassure local leaders that interventions, including where necessary CPO, will get supported.
3. **Revise planning policy.** Ministers can revise national planning policy so that "Town Centre First" actually works. This can be done by reinstating the needs test in the NPPF and overhauling the sequential and impacts test in Guidance. It also means reversing the unhelpful shop-to-homes rules that simply aggravate fragmentation, a core obstacle to change.

Further, encouragement needs to be given for local business and residential communities to prepare Business Neighbourhood Plans for their town centres.

Level 2: Seed-corn funding

This *does* cost money. However with £20m already spent on Portas and related initiatives, a similar amount on town centre restructuring and adaptation would go a long way. We suggest:

1. **Build capacity.** There are three main groups involved: Whitehall, Town Halls and event parish/town councils, where there is a lack of capacity to take on this challenge without some encouragement from the Government that this is an agenda that is worth investing in. To achieve this, the “High Street” interest groups should be encouraged to form a central resourcing and best practice group (**Town Centre Council?**) that develops capacity, manages peer-to-peer learning and skills development (most property sector groups also have out-of-centre interests); ie not government.

Further, the property investment community should be encouraged, with some co-investing kick-start funding, to form a **Town Centre Fund** that can respond to investment opportunities (either alone or as bundles of towns).

2. **Develop a standard prospectus.** A local authority can't be expected to develop this on their own. To attract investment via Town Centre Investment Management across all town and city centres requires a standardized prospectus that is acceptable to public sector procurement rules and the investment sector. Preparing such a standard needs to be funded.
3. **Pilot town centres.** It is time to move from feasibility to reality; this needs to be taken forward in those town centres that have strong political leadership, competent executive support and a set of investable propositions that would be likely to attract the investment community.

Level 3. Kick-start funding and incentives

This requires more serious money but has the potential for not just direct pay-back but leverage on the ground.

1. **Grants.** Making additional funds to Town Councils and Neighbourhood Forums to prepare neighbourhood plans that will require specialist skills.
2. **Loans.** Some central investment will need to be made to enable local communities to create the local investments that are attractive to the investment sector. This might be loans to a set of vanguard towns that can show the way.
3. **Borrowing.** Sensible prudential borrowing is already helping councils invest in their town centres. Government can encourage more; and help overcome some arcane aspects of public sector funding that get in the way.
4. **Incentives.** The urgent need to get focus and an alignment of initiatives. *Future High Streets* have

advocated a **Town Centre Investment Zone** regime that brings all local High Street initiatives and services into one place, with one plan, one overarching governance structure and one set of investable propositions.

While the powers are there now, stakeholders need an incentive to deliver the kind of structural change that is needed – they should get a prize! Prizes might be some form of incentive, such as business rate relief and/or relief on Stamp Duty Land Tax (SDLT) when pooling assets to gain the critical mass needed for change.

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About the author

John Parmiter FRICS FRSA MRTPI directs **Future High Streets**. John is an urbanist, and an experienced planner and surveyor, with over 35 year experience of retail and town centre development promotion and policy advice. He has advised retailers, investors, developers, local authorities and government. He has held senior positions at Hillier Parker (now part of CBRE), where he founded the planning department; at Turley's, where he opened the London office and chaired the board; and most recently at Peter Brett Associates (following a merger with Roger Tym & Partners) where he developed the Thought Leadership paper: **Town Centre Investment Management**. The campaign won the national B2B Thought Leadership award in 2014.

In his career he has advised the Crown Estate as part of the Regent Street Strategy team in the mid-90s; RBKC on a strategy for High Street Kensington (with Urban Initiatives); for Canary Wharf on London's Shell Centre; for Waterhouse on the Brewery Square scheme in Dorchester; London's Mayor on town centre retail policy; on town centre strategies for the local authorities covering town centres in Bedford, Folkestone, Waltham Abbey and other places.

As lead advisor on the feasibility studies to test the application of his Town Centre Investment Management concept he has advised the local/city and national governments involved in Newport (Wales), Weston-Super-Mare, Dartford, Melton Mowbray and Barking.

Research reports he has led on, or contributed to, when a partner at PBA include:

