

# Housing, Communities and Local Government Committee

## Oral evidence: High streets and town centres in 2030, HC 1010

Monday 10 September 2018

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Members present: Mr Clive Betts (Chair); Mr Tamanjeet Singh Dhesi; Helen Hayes; Kevin Hollinrake; Andrew Lewer; Teresa Pearce; Mr Mark Prisk; Mary Robinson; Liz Twist.

Questions 1 – 39

### Witnesses

**I:** Professor Cathy Parker, Professor of Marketing and Retail Enterprise, Manchester Metropolitan University, and Chair, Institute of Place Management; William Grimsey, Chairman, The Grimsey Review and The Grimsey Review 2; and Dr Andres Coca-Stefaniak, Associate Professor, Department of Marketing, Events and Tourism, University of Greenwich.

### Examination of witnesses

Witnesses: Professor Cathy Parker, William Grimsey and Dr Andres Coca-Stefaniak.

**Chair:** Good afternoon and welcome to this first evidence session of our inquiry into high streets and town centres in 2030. Thank you for coming. Before I come to the witnesses, I will just ask members to put on record any interests they may have that are particularly relevant to this inquiry. I am a vice-president of the Local Government Association.

**Liz Twist:** I employ a councillor in my staff team.

**Teresa Pearce:** I also employ a councillor in my staff team.

**Kevin Hollinrake:** As do I.

**Mr Dhesi:** As per the Register of Members' Interests, I am a councillor.

**Mr Prisk:** I am a non-executive director of Stanfords, who are one of the UK's leading cartography and travel retailers.

**Chair:** I know Andrew will be joining us shortly. He is also a vice-



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president of the Local Government Association.

**Kevin Hollinrake:** It does come under the Register of Members' Interests, but our business too has a number of different retail premises around the country. I do not know if that is important.

Q1 **Chair:** It is helpful that everyone knows that. Thank you for coming this afternoon. For our record, could you just say who you are and the organisation you represent?

**Professor Parker:** I am Professor Catherine Parker from Manchester Metropolitan University.

**William Grimsey:** I am Bill Grimsey. I am a retired retailer who has a vested interest in the future of our high streets.

**Dr Coca-Stefaniak:** My name is Andres Coca. I am an associate professor in tourism and events at the University of Greenwich.

Q2 **Chair:** Thank you very much for coming. The idea of our inquiry is to look at not just the problems but what the situation might evolve into in 2030 in terms of our high street, what the opportunities are, what the challenges are, and what would probably happen if we did nothing and just let things carry on and drift. The first question is about your understanding and assessment of the current performance of high streets and town centres, as we are today.

**Professor Parker:** If we look at the common indicators, they are not as visited. Footfall has gone down over 17% in the last 10 years. They do not have as many shops. Since the financial crash of 2008, we have lost 400 major retailers, and that means 30,000 fewer shops across the UK. They do not attract the same level of retail spending. If we go back to 2000, about half of all retail sales were in town centres; it is now down to about 37%. That means there is more vacancy; there is about 12% across the UK. An average is not very helpful, because there are big regional variations, but in headline statistics, that is the sort of situation we are in at the moment.

**Dr Coca-Stefaniak:** I concur with my colleague that indeed most data and reports, including the *Understanding High Street Performance* report published in 2012 by Genecon and the UK Department for Business, Innovation and Skills, point towards a decline in the high street. However, what I would question is whether we were assessing the right thing. Most of the performance that we have measured up to now has been economic performance, and I would like to put it to this Committee that perhaps lack of performance is not the issue, but perhaps the outcome of a bigger issue, which is a lack of strategic positioning of town centres. That is part of the point we made in a report published in 2013, *Successful town centres: Developing effective strategies*, which was published by GFirst and the Association of Town and City Management.



**William Grimsey:** First of all, I find it slightly frustrating that the question is posed, in the sense that five years ago we submitted a review called the Grimsey Review to this place—Westminster—one of the recommendations of which was the creation of a central hub to gather data and information about the performance of town centres and high streets, so that there were key performance indicators in front of you, and then we would not have to have the question. Five years on, we do not have that central hub. The Grimsey Review 2 also has a repeat of that recommendation, and I am in conversation with the Minister, Jake Berry, about how we might put that in place.

To sum it up, just to add a small bit to what my colleagues have just said, the tipping point has arrived. It kicked off the year. We have seen the worst performance in many years for high street retailers, and we have reached that tipping point. August itself had the worst performance for three years at -2.7% on the high street in the bricks-and-mortar retail shops. You do not have a week go by without another major retailer looking to put it in some kind of vehicle to address their balance sheets and their profit and loss accounts. It is quite clear that we are faced with the biggest challenge that we have ever had with our town centres if we are going to make sure that we leave behind a legacy in the 21st century for our grandchildren of something that is a community centre where they can congregate and do things. The answer is not retail. We said that five years ago and we will say it again today.

Q3 **Chair:** It would help if we actually knew what was happening in the first place.

**William Grimsey:** It would help if you did. There is enough evidence out there to suggest there is a willingness to put in place a central hub where we can gather all that information and data and present it empirically so that we can look at where the opportunities and threats are and what can be done. Also, the local people can look at it and compare and understand best practice. All that kind of stuff was in the first review and it is in the second review. My appeal to you is that if anything comes out of this, it is a recommendation that we get on with it and put one in place. I am running out of years to keep recommending things; I would like to do it.

Q4 **Chair:** If we had that information, would it tell us there were different performances in different parts of the country, different sorts of shops and different types of centres, for example? Are there particular characteristics we should look at and say, "As a whole, these are doing better than others"?

**Professor Parker:** It is important to say that this decline has been going on for many years. With the sort of centre that Bill is talking about there, we would get earlier indications and warnings when things are changing, but things are always changing in our towns; some of them have been around nearly a couple of thousands of years, before fridges and cars and so on. These are all technological things that have impacted on towns.



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There are these global trends that affect all towns, but there are definitely some regional variations, in some of the indicators anyway, vacancy being one of them. There are quite big regional differences, with the north-east, the north-west, and the midlands having higher vacancy rates and stores that are empty for a longer period of time than in the south. In some work that we have done looking at footfall, using Springboard's footfall dataset, we did not find a relationship with location.

Obviously places that have fewer people around them are going to be less visited, and places that have less in them are going to be less visited. If you take into account population density and vacancy rates, you do not find a difference in footfall. It is not saying people in the south are much more likely to go into their town centre than people in the north. That is quite heartening. Town centres should be there to serve their local population and communities; they have just not really had the right offer to do that.

**William Grimsey:** There is definitely a correlation between the economic performance of the location and the health of its high street. That can be seen by what Cathy has just said. There are small towns where there is a huge indication that, even though the vacancy rate may be stabilised but still high, and where you have a proliferation of charity shops, pawnbrokers, betting shops, vaping shops, and fast food shops, it is a measure of declining communities that are frankly short of confidence.

That economic confidence is manifested in our high streets. If you wanted to measure local economic performance, the high street would be a measure of that health—and the south-west would be in there as well. It is clear that we should approach this in a slightly different way and rebuild these high streets as community hubs that are building on different things other than shops. Both our reviews made it clear that you cannot rely on shops to recover the performance of a town. The 21st century town is about an activity-based community gathering place, and we need the local authority and the community in that area to lead in putting that in place. There is absolutely no doubt that there is a correlation between empty shops, deprived high streets and the economic performance of the location.

**Dr Coca-Stefaniak:** I would add to that in the sense that, going back to the *Successful town centres* report of 2013, we came up with the first national town centre performance framework, which could easily sit with the data hub that Bill alluded to earlier on. Are we comparing apples with oranges when it comes to performance? We have town centres such as Peckham and Deptford in London that economically would never be able to compete with the Oxford Streets of this world. Having said that, in terms of their social input into the community and vice versa, they probably could. They would probably outperform Oxford Street in terms of social cohesion and diversity, including markets and cultural offer. Is it time to consider perhaps further things such as social return on investment rather than just purely economic factors?



**Q5 Kevin Hollinrake:** I am sorry if I am cutting across anybody else's questions on this, Chair; please stop me if I am. I was interested to know, Ms Parker, about what you were saying. Are there examples of places in the high street that are using some best practice ideas to revitalise their areas? Is that something you see commonly or sporadically?

**Professor Parker:** Best practice is an interesting concept, because what is best practice in one town is not necessarily in another. Where we see good practice is where towns see innovative ideas but understand their local condition well enough to know whether that intervention is going to make a difference or not. At the moment, street food and street markets are a big thing everywhere. Everyone wants to have one of those, but it is not necessarily going to be successful everywhere. We really need the towns to understand their local catchment and their local economic environment to know whether some of these good interventions are going to work.

**Q6 Kevin Hollinrake:** Do you see that happening in certain areas?

**Professor Parker:** In certain areas I certainly do, yes, but it is sporadic. There is no national approach or programme to encourage that.

**William Grimsey:** The important thing, where it is happening, is to understand why. The evidence we found when we did the second review is where you have strong local leadership, particularly in the officer side of a local authority, i.e. the chief executive, you might get the right vision, planning and determination to get things done. We highlighted Stockton-on-Tees, which can hardly be described as anything other than an economically challenged area, where they are doing things that are creating reasons to go to the town centre and experience events, grow business—particularly local businesses—with a specific area for incubating entrepreneurs that do not have to then risk their house but can take those risks and then migrate out into the commercial world with commercial leases. When you see that happening, you look for why, and the clear “why” is the leadership.

**Q7 Kevin Hollinrake:** The examples of the leadership you gave were in local authorities. Are you seeing leaders outside local authorities that are also driving change and bringing forward new ideas that are successful?

**William Grimsey:** Certainly there are. My colleagues can probably talk to things like BIDs—business improvement districts.

**Chair:** We will come on to those in due course.

**William Grimsey:** Yes. The point I need to make is that the solution—if “solution” is the right word—for 21st century town centres lies with the catalyst, and the catalyst should be the local authority. They should be the ones led by good leaders. We pay them well now, but do we understand the profile of person that we need to do it? Do we reward them in the right way? Are they driving a community solution—not a



business solution—that will put that town back on the map for people to live, work, play and visit? They need to do that with a clear plan. They all have a spatial plan but it does not connect to any long-term plans. It is about leadership; there is no question.

**Q8 Mary Robinson:** Just very briefly—and I think we will come onto this—Professor Parker and Mr Grimsey, you mentioned interventions being important and towns knowing their area and their place. Is there any other way to deal with this issue other than interventions? Is it interventions or nothing?

**Professor Parker:** You have to do something, yes. We did a piece of research sponsored by the Economic and Social Research Council, and we identified that there were 201 factors that impact on the sustainability of the vitality and viability of high streets. It is incredibly complicated with all of these factors that are impacting. Out of that, we identified 25 things that local areas can act on together. They are not always the things that will have the most impact, because some of these things are things like the state of the economy, and a local area cannot influence that.

We wanted to identify the things that local partnerships with the council could actually act on, and so there is a whole mix of things in those 25, from the very operational, like cleaning up litter and making the place look more attractive, to more strategic issues, like vision and leadership; we know those things are important too. Because there is this complicated mix of factors acting on towns from the macro-economy, if towns do not try to do something locally, then they are just swept along by change. They do need to act.

**Dr Coca-Stefaniak:** If I may add to that, again building on that argument, what we have found at Greenwich through two major EU-funded projects—the GO TRADE project that deals with markets and their role in revitalising town centres, and the SHARE project that looks at smart solutions for revitalising town centres and the visitor economy—is that actually the factors that stakeholders suggest are successful vary considerably from local businesses to residents to visitors and tourists.

For instance, for residents, the top three out of 30 factors would be safety and security, friendliness of local people, and quality of life. For a tourist, it is actually local heritage, the attractiveness of the area's geography, and the friendliness of local people. In turn, for local businesses, what emerges is that the factors they value in the town centre are actually very similar to the factors that people value when they talk about their market. The moment they put this business hat on, if you will, in terms of valuing their market, they appear to start thinking almost as if they were small retailers in a town centre. These are initial findings that we will be reporting soon to the APPG for markets.

**Chair:** Perhaps we could have a copy of that as well.



Q9 **Teresa Pearce:** Obviously town centres have evolved constantly, but this new impact of online shopping seems to have happened as if no one expected it. This clearly was going to happen. A lot of businesses seem to stand still for too long, and then they are out of business. Looking at the current pressures of the businesses that have survived and are still on the high street, what are their pressures? If they have managed to stay on the high street and in the town centre and combat the online, what other pressures do they have apart from online shopping?

**William Grimsey:** Technology and the online issue is in itself a major subject. What needs to be said straight up is that we are at the beginning of the fourth industrial revolution that society has faced. If we do not view it in that magnitude, then we are doing it an injustice and it is going to happen to us. Technology will drive all sorts of changes in behaviour, not only for businesses but for local communities and the way that they interact and socialise.

When it comes to online versus bricks and mortar, what we need to just consider is that, as a community and a nation, we are migrating to online shopping faster than any other country in the world. We have just overtaken America with our propensity to shop online. We love the convenience, and we do a lot of it. Again, we are falling back into just talking about shops here, but never mind.

When you look at the shopping trip, it has changed, and it will not ever be like it was before. It used to be linear: you used to get up, decide to go shopping, go to a high street, walk up and down, have in mind what you wanted, look, buy and go home. It was a straight line. Today, the decision tree for purchasing products is a highly complex activity. The research takes place online, and often the visit to the shop, whether it is out of town or in town, is a showrooming shop to check it out, and then the final purchase will then take place on the sofa or other places in the house, or even in the car or on the tube through a mobile device.

The point that we need to just make is that in our town centres we as communities should accept that this technology revolution is going to continue at a huge pace, and therefore we need to reinvent our community gathering places to take into account a whole myriad of things using technology to create that experiential visit that you need to do at the town centre.

That ranges from ageing population, which is a massive issue—when I am 80, in 13 years' time, there will be twice as many of us in this country as there are today. We have not got a clue what to do with them. The younger generation that is growing up is technology savvy and they are lonely. That is a fact. Apple have realised that, and they are renaming their stores town squares. They are going to create reasons to go and to socialise. Guess what? When they go, they buy. There is the clue to town centres in the future and how you interface with technology, bringing it into an experience in the town and being part of the very



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complex purchasing journey that we are now going through because of devices.

**Professor Parker:** We talk about the pressures from online shopping, but out-of-town shopping has had far more impact on in-town retailing than online. The thing with out of town is it is a complete competitor to the town centre whereas online is not; it is a very different experience when you are shopping online than if you are going into a town. There is much more compatibility between online and in town.

You might have heard of a recent campaign that came out of the Future High Streets Forum, "What do you think?", looking at the digital footprint of towns across the UK. How good are they at promoting themselves and using the internet? How good are all of the stakeholders and retailers at promoting what the town has to offer? It is really poor. We have some good mechanisms here; social media and online can actually be there to support town centres. There is double-digit growth in click-and-collect. People prefer the convenience of picking up the goods they have ordered online in a physical location. We need more of those physical locations to be in town and fewer of them out of town.

**Dr Coca-Stefaniak:** My view is that the type of relationship that takes place between the seller and the consumer in online environments is very transactional. It is based on convenience, price and little else. If we want to beat online retail using the same rules in the high street, it is not going to work. Frankly, do we want to create a transactional relationship between our local communities and the high street? I think not. All the research on place attachment and place identity indicates that you have to nurture relationships between local communities and places. If you do not nurture them, whether it is through the experience economy, the visitor economy, et cetera, they die. The result of that we are beginning to see happen now, or maybe it has been happening for the last 20 years.

Q10 **Teresa Pearce:** Thinking about what you were saying about local authorities and the key role that they have, not all but some local authorities see the high street as an income stream. They look at the business rates, and that is what they are focused on, rather than the sustainability of what the high street is for or what it does. Mr Grimsey, given that you said in your report that there is no confidence in business rates—and I think everybody agrees that business rates are not working—what would your suggestion be for something else to bring that income stream to local authorities that they need to provide services? Business rates are a property tax; they are a 20th century tax for a 21st century world. Do you have any views in the research you have done on a different type of system that would bring income to a local authority?

**William Grimsey:** I very definitely do: £29 billion of tax is raised by the Treasury from business rates a year, of which about £8 billion comes from the retail sector. It is broken in the retail sector. It does not work. It is responsible for, as we speak, and will be responsible for in the





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future, small businesses in high streets in particular failing. These are often small businesses where people have their house on the line, et cetera. It is all driven because of the burden of business rates. It is an outdated tax.

I am not talking about the rest of the £21 billion that comes from offices and stuff like that. Let us park that for a moment. I am talking about the retail sector. It is broken. It does not work. It needs binning straightaway, and it is easy to do. Some £400 billion of sales go through retailing in the UK. A 2% sales tax would raise £8 billion, which is exactly the same. It is a sales tax at the point of sale. You could argue that would add to short-term inflation, or if you believe in free markets, which our country does, you might see that it will get driven out by competition, but it would solve it tomorrow.

It would also eliminate this ridiculous argument about online versus offline shopping, and the fact that Amazon trade out of dark warehouses with industrial rates versus high streets and out-of-town shops. You can eliminate that and it creates a level playing field straightaway. It has nothing to do with the avoidance of corporation tax. We must never confuse the two. The sales tax I would recommend of 2% would eliminate the need for business rates on retail businesses, and you would replace a small fee for whatever you had to service those businesses locally with—waste collection or whatever—and deal with it.

There should be a consumption tax to deal with the thorny issue of people—retailers in particular, Amazon being the biggest one—channelling their sales through Luxembourg, where they get lower corporation tax, and leaving all of their operational costs in the UK and paying ridiculously low or even no corporation tax. That consumption tax is effectively on their sales line, but it is after the event and on their P&L accounts. It is a different one, and I do not think many people understand the clear difference between the two.

I am very clear. The Chancellor has an opportunity to liberate particularly the independent retailers. I have one in Witney, not 50 yards from David Cameron's old constituency office, that is a florist. It is lucky to be still around. It is paying higher rates per square foot than the Marks & Spencer that is selling flowers. That cannot be right. We need to protect the small businesses in our country. I feel quite passionate about it. It is such a simple solution.

**Q11 Teresa Pearce:** Professor Parker, talking to businesses, business rates is the thing that always comes up. Do you have a view?

**Professor Parker:** I am not a retailer; I am an academic. Looking at the research we did when we ranked all those 201 factors and how much impact they have on town centres, business rates came out at number 33 out of 201.

**Q12 Teresa Pearce:** What was number one?



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**Professor Parker:** Accessibility: whether you can get into the town centre and how well connected it is. That is what we have done. In an academic way, we have taken all those factors and thrown them into the same mix. If you ask me what the one thing is that can make a difference that Government can act on, then I would agree with the people that we work with through the Institute of Place Management, which is part of the work that I do at MMU. The business improvement districts, town centre partnerships and anyone that manages high streets or town centre areas are very strongly telling us that business rates are their number one issue.

In terms of what Government can do about it, you cannot do so much about accessibility, but business rates are one thing that you could go some way to fixing. In the written evidence that you have been given, I know the New West End Company have done quite a big review of business rates. They have come up with some solutions there a little different to Bill's, with only some of the shortfall to be made up by a revenue tax, but more annual revaluations on properties and things like that to make it fairer. There is some written evidence that might be helpful too.

**Dr Coca-Stefaniak:** I have nothing to add on business rates.

Q13 **Kevin Hollinrake:** Mr Grimsey, in your Grimsey Review 2, you mentioned car parking, and you proposed £1 for two hours of parking in town centres and no charge for the first 30 minutes on high streets. How important a factor are car parking charges in terms of people visiting high streets and town centres?

**William Grimsey:** Currently, it is quite big. It is about this accessibility issue that Cathy just mentioned. A town in Flanders, which is in this review as an example, implemented the Grimsey Review. Part of the exercise was to put in place free parking in the high street for half an hour, and they used technology to do it. Being a smart city with parking is absolutely the opportunity. They got sensors, and when you have been there for more than 30 minutes, you get fined; it is as simple as that. They do not have cameras yet, but they are going in. It does encourage a quick churn and it does work.

The out-of-town shopping experience is free car parking for two hours. Essentially, if you wanted to compete with out of town, you ought to have parking in town for two hours. The issue you face is that you are not actually still going to compete, because it is not just a parking issue that is driving people out of towns. It is a convenience issue, which is why town centres and high streets just need to stand back and accept that retail is not the main anchor any more for the 21st century, and it needs to be replaced with other activities.

Where you see those activities coming in, you see prosperity of a nature. If it is in an economically deprived area, you get different things coming in that reflect social issues, such as betting shops, which are based on



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hope, or vaping shops, because they still need to smoke. It is a very sad reflection on society when you have that situation. In the better-off areas, you will see a proliferation of nail bars and health-related things. These are things you cannot do online; you cannot actually do your nails online yet. Parking is an important issue. Where does it figure on your list?

**Professor Parker:** 43.

**William Grimsey:** It is even lower than business rates.

Q14 **Kevin Hollinrake:** Is accessibility not parking?

**Professor Parker:** We actually found that parking had more in common with other necessities, such as benches and toilets. It is one that falls between both. The point I would like to make is we cannot come up with something that is going to fit all towns. Two hours of free parking is not the solution in all locations. The more they collect data and start to correlate or look at the relationship between interventions, and the more experimental they become, the better. They are just often frightened to do anything. Where towns have retail sales data and footfall data, they can actually look and see what the impact is of free parking after 5.00 or of doing two free hours in the day. We need to get down to that local level to make those decisions.

Q15 **Kevin Hollinrake:** Is there a conflict between local authorities' interest in collecting revenue from charges for car parks and what is in the interest of local traders in a high street? Are you seeing that?

**Professor Parker:** Yes, I have seen that where the local authority still owns a car park. It is a complicated issue.

Q16 **Kevin Hollinrake:** Was Flanders successful in terms of what they did?

**William Grimsey:** Yes, because they what they did is also take car parking out of the town centre in the way that it was. Where they had flat car parking areas, they turned them into green spaces, and they built better facilities on the edge of town for the right car parking. One of their big strategic arms was mobility, which addresses this accessibility thing for all kinds of people to access the centre. Green spaces actually prove to be a draw rather than anything else. In this car world, taking the decision to take away in-town car parking spaces was a huge, bold decision, which has paid off.

Q17 **Chair:** Can I just follow up on the business rate issue? What we were talking about earlier was this great sea change in shopping habits, and people, more in this country than anywhere else, moving to shop online. When you push businesses, they say, "Let us change business rates. Let us reduce the amount we pay and it will be alright". That seems to be the view that comes back: "Just reduce our costs and we will carry on and be successful." That is a little naïve, is it not?



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**William Grimsey:** No, what we are talking about here is something that has grown into a monster. Business rates, particularly for an independent—

Q18 **Chair:** Many of those small businesses surely get small business rate relief, do they not?

**William Grimsey:** Some do and some do not. It depends on the local authority, how it all works and how it all comes together. For the one I am talking about in Witney, she has been on about the disparity with her trying to compete with a national retailer across the road that has a huge space and pays less per square foot, but still sells flowers. How do you reconcile that competitive issue? The point is that business rates has grown into this great big industry that nobody understands. It has appeal judges and there are structures in place. It is a whole industry, and it is totally unnecessary in today's world. It just does not work. If you replaced it with this sales tax, then you would suddenly release a fixed cost into the top line. It is your ability to trade that will be driving your success and not your ability to cover the fixed costs.

**Chair:** The reality, surely, is that if you halve the business rates of the big chains that have had problems, whether it is House of Fraser, Marks & Spencer, Debenhams, BHS or Woolworths—you can go through them all—they would still be in trouble, would they not?

**William Grimsey:** Yes, absolutely. They are not going out of business because of their business rates. They are going out of business because their product is wrong, and we are in danger of meandering off, though I am sure you will bring it back in a minute, into the realm of whether insolvency practices like CVAs allow retailers to dump properties back to landlords that become, once profitable—

**Chair:** We will come on to that. What I am trying to get at is that just reforming business rates of itself is not itself a panacea and will not solve all of the problems.

**William Grimsey:** No, but it is a burden mostly in the independent sector that needs to be addressed, and it is a very easy thing to address. Additionally, if you did put that sales tax in, you would get rid of this silly argument about online versus offline. It just goes away.

Q19 **Mary Robinson:** Clearly, there are differences between the high streets right around the country, but there are trends at play; I think that much is evident. What sort of shops and services, therefore, do you expect to make up our high streets in the future?

**Professor Parker:** Part of this work we have been doing looking at footfall has enabled us to identify four different types of town. In the past we thought all towns were shopping destinations; they were just either bigger ones or smaller ones. Now we see there are still some shopping destinations, there are speciality towns, there are multifunctional towns that provide everyday benefits, and then there are



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holiday towns, where the footfall rises in the summer months. There is no perfect mix for the high street. First of all, the town has to understand what function it is playing, not just in its local catchment but also how it relates to other locations.

Based on those four types, we can start to make a bit of an assumption as to the types of retailers and services that would do better in those locations. It is not rocket science. We have had a very concentrated retail sector in this country, which means we have a lot of multiple retailers in most of our locations. They are controlled by head office as to the merchandise they offer, how their store fronts look and what type of retailers they are. They are not very good at adapting locally. It goes back to understanding your local data and your local catchment, and then making sure that your offer is absolutely right.

In the headline figures we obviously see more food and beverage, more of the types of outlets that Bill was talking about, such as nail bars, offering experiences. Also, in those multifunctional centres, there is more community usage. All of this vacant space presents an opportunity to try other things, such as moving health and well-being centres back into town centres. Anything that generates footfall and is congruent with the overall offer is a good thing to have. It would be repeating the same problem to just have a list of shops and services and say that if you have those, everything will be okay.

**Q20 Mary Robinson:** It is interesting. I am interested in all of the answers that are going to hear. On that, what comes first? Does the offer drive the function or does the function drive the offer?

**Professor Parker:** Historically, we thought that the offer drove the function. Where your town was in the retail hierarchy was very much predicated on how much multiple retail floor space you had. That explained how successful you were. With all these insolvencies and closures of retail stores, that is not going to be the best predictor of what a town is. Its activity levels are much more important. It has been interesting to go to towns and say, "Your footfall profile shows that you are this type of town". When we look at their masterplans, they may be planning to be quite a different type of town. There is a bit of a mismatch between what the ambitions are and how the towns are actually used. A lot of those multifunctional towns are serving a very local catchment, and yet those local people do not really feature in the plans. It is all about attracting visitors and attracting people from a larger catchment. They fail at that very basic level to do what their local community needs.

**Mary Robinson:** They fail to understand what the community is about.

**Professor Parker:** Yes.

**Dr Coca-Stefaniak:** One of the issues that the *Successful town centres* report highlighted in 2013 was that town centres and high streets need to



develop in line with the DNA or personality of the area and the community. To neglect an area's heritage, history and culture is one of the first steps towards a failing town centre, because eventually you end up creating clone towns, which the New Economics Foundation and others have written about. We found that, of course, you have your global celebrities, such as Oxford Street, but you also have your community entrepreneurs, where the social element is actually more important than the economic one. Those would be the Peckhams of this world and Deptfords, et cetera. You then have your specialist market towns, and then you have your sustainable destinations, which would be more like Cheltenham or York.

Interestingly, what we found, when we looked at data from research with citizens of smart cities in Spain, was that actually what they want out of smart cities is the same thing as people want from town centres today. They want to be able to have a say. They want them to be people-centred, rather than technology-centred or transport-centred, et cetera. They wanted better quality of life and better quality of public services. They wanted lower environmental impact, better communications with the local community and more transparency in local government. That is what they want out of smart cities. Surely that is what they want now. Perhaps there are parallels there that could be explored.

**William Grimsey:** Briefly, I spent my entire career in the 20th century, along with my fellow retailers, creating clone towns up and down the UK. It is as simple and straightforward as that. It is quite clear that in the 21st century that is going to be unpicked. There is no silver bullet and there is no single solution that will suit clusters of towns or types of towns. There are some guidelines, but the solutions are local. What we need to create for the 1,500 towns up and down the UK is 1,500 unique places. It is very important that they are based on the heritage. I do not hold with the idea that some people say that some towns do not have heritage. We are very blessed in the UK. We have heritage coming out of our ears. We can have reasons to visit town centres that are based on a wonderful heritage and give you a unique selling proposition, and surround that with a community hub based on health, education, leisure, housing, arts, crafts and events. In Stockton-on-Tees, the local authority has an event team of nine people that runs 91 events per year, which is roughly two a week. Some of those are major events, ranging from half-marathons to all sorts of things. They are reasons for you to be in that community hub.

If you add to that this ageing issue and the other stuff, and put technology in the mix, you can create a business plan that will give you the solution for your town and help you compete for people to live, work and play there, and visit there, in terms of tourism. I really feel strongly that we are poised to change the nature of the job for local authority leadership to be the catalyst for building these plans for the future.

Q21 **Mary Robinson:** It feels as if we are looking forward to high streets



without shops.

**William Grimsey:** They will not be without shops, because if you create enough density inside the high street and town centre, then by definition you will have trading going on and there will be some shops. They might well be independent shops. They might well be some brands. In Roeselare, for example, they do not have any major brands in the high street at all. They will not allow them in. McDonald's has to be in the out-of-town parks. They create this unique experience around local commerce. It is a well-known fact that local businesses leave, in the local area, a lot of what they earn, whereas corporate companies, particularly coffee shops and particularly Starbucks, suck it out of the local community and they do not even pay corporation tax. We go round in circles here, but the fact is we need local. It needs to be local and locally driven, and we need different types of leaders. Just to articulate what I mean, I imagine 1,500 Disney Worlds, up and down the country, that are experiences for their own individual reasons. That is why people enjoy being part of that community, and the key is in the heritage.

**Dr Coca-Stefaniak:** If I may just add to this very briefly, one of the dangers of looking at town centres as if they are shopping centres is potentially this. Consider the data from the International Council of Shopping Centers, which shows that, in the US, only one new shopping mall has been opened since 2006. There are 15 under construction still, but should that not be treated, in the UK, as a warning as regards town centres in terms of simplifying the issue only to retail? We should treat that as a warning.

Q22 **Mary Robinson:** There are some large retail stores, as we know, such as Marks & Spencer and House of Fraser, that are looking at their business model and the potential impact of closures. What effect will that have on the high street?

**William Grimsey:** It is massive. Consider Stockton-on-Tees, which is in here and is led by a unique CEO. In the week we launched this, Marks & Spencer announced they were going to leave the town centre. The building there has clearly been built for them. If you look at the closures on the Marks & Spencer list, they are town-centre-based, most of those buildings were built specifically for Marks & Spencer 70, 80 or 90 years ago. When you drill for oil, you have to restore the environment once you have finished. For a company like Marks & Spencer just to up sticks and leave a gaping big hole in a community and walk away puts into perspective what corporate social responsibility should be. We need to be asking certain questions about how this is able to happen.

Not only did Neil Schneider, the chief executive, get that news, but he then got New Look as well, which is next door. He is already struggling to keep his mouth above water, and then suddenly these things come from leftfield and leave him with an impossible task of how to fill that gap. In St Albans, my hometown, the British Home Stores space is still empty two years on, and it is a massive scar on what is a prosperous



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urban town close to London. It is a massive issue for us to be concerned about.

**Q23 Mary Robinson:** What is the future of these big retail units in the hearts of our high streets that are left empty? What can be done with them?

**William Grimsey:** The answer is all sorts of different things. Sorry, I was in a flow there. Industries are going to change. You said 2030. The superstore is the next endangered species in this country. It is going to disappear. By 2030, you could find one of the big four actually disappear and go bust. You will find lots of these stores redundant. Why would you, if you were growing up with technology, want to shop in a superstore, pushing a trolley for deodorant and shampoo? For anything you do not need to touch and feel to buy, you can have delivered to your home. Their card is marked.

What do you want an experience in? It is in fresh food. It is in that experience that I see town centres with fresh food emporiums, with restaurants, and even TV shows and chefs. I see that the future could be different kinds of fresh food operations springing up that combine the experience of eating out with cooking and imparting knowledge. I am a butcher by trade. In the 1960s, people used to come and ask us about cuts of meat and what they are. I see that returning. Particularly with the environment, local produce will re-emerge. This generation is really concerned about the environment and rightly so, because my generation messed it up. The fact is those spaces will have experiential things like a fresh food emporium.

**Q24 Mary Robinson:** It is still quite difficult to fill a big empty retail unit with that sort of offer, I would say.

**William Grimsey:** Not if you do it well.

**Professor Parker:** It is harder. Half of the BHS stores are still empty after two years, so that tells you that there is an issue with adaptability. Smaller units are much easier to repurpose and re-use. Towns that have more of their original fabric are probably more resilient than ones with these big units in. It is not just the big retailers; there are shopping centres as well. There are quite a lot of windowless 1980s shopping malls lurking around our town centres. They are not pleasant environments. If we say we want to have a nice experience in our town centres, it is unlikely we want to go into some of those spaces.

Stockport is one of the local authorities that is looking to purchase some of those buildings so they can be sold on for other uses. We need that strategic leadership and vision. It is really important to say that just because there is empty retail space, it should not be automatically labelled as redundant, because we have some smaller towns where there is no shortage of retail entrepreneurs—I am talking more about the south—who want to go into units. The pressure that is on the landlord is that they will probably get more money from residential usage. We have





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to make sure that we have enough retail space and do not just assume that all empty space is redundant; there might be other reasons why the landlords are not renting those spaces, and that needs to be investigated at a local level.

**Dr Coca-Stefaniak:** If I may, I would like to perhaps offer a little bit of lateral thinking on this front, in terms of what to do with those empty units. Housing is one of the answers that is being investigated now, but that is not my point. My point is to ask how we can use those empty units to foster entrepreneurship among young people.

I will give you an example. It is a markets-oriented example. It comes partly from our GO TRADE project at the university. One of our partners on that project is the National Market Traders' Federation, and it has started a new initiative that it calls the National Youth Market initiative. They just held the national finals on 31 August and 1 September this year in Stratford-upon-Avon. What they were looking for was, among all these young entrepreneurs, some of whom could have been our students from Greenwich, who had the better business proposition. That could be a social enterprise, a service or a product. More importantly, they asked whether they can get those young entrepreneurs to liaise and interact with established market traders who will tell them a bit more about how to deal with customers, and the youngster may share tips on social media and so on and so forth. It is a win-win. In many ways, it is that sort of interaction between generations that we need in an ageing population. Surely that is one of the roles of town centres.

**William Grimsey:** Could I just add one quick thing on this point? In Roeselare, in the heart of the town, which is where these BHSs and so on are, they took a building and they turned it into the community hub. It is a huge library with a huge tech centre, huge meeting rooms, hot desks and good, local cafeterias. It is the whole centre of the town. Entrepreneurs are hot-desking there and they have courses going on for technology, et cetera. I think that is a key for future development.

Q25 **Chair:** I have just one brief point. You mentioned earlier that the online shopping revolution is happening faster here than anywhere else. Just as an example, going to the continent on the holiday during the summer, you go to Portugal or Spain and see Fnac, and other similar stores in Germany. There are four or five floors packed with goods, electrical goods, games, music, computers, televisions, everything, and they are packed full of people. All of those sorts of businesses have almost disappeared from the high street. Is that just a cultural issue, where in other countries it is different to the way we shop?

**William Grimsey:** I am not qualified to talk about that particular retailer and its attraction, but there are clearly cultural issues to consider. For example, in France they have a different attitude to Sunday trading and a different attitude to how to protect their high streets; they have done for ages. There are cultural issues to address, but I cannot talk about that particular retailer. Can you?



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**Dr Coca-Stefaniak:** I am afraid I cannot, no.

**Professor Parker:** As I said, we are very concentrated in the UK.

Q26 **Chair:** That is a big store. You can go and see it in different countries. It is exactly the same retailer, and it is there. It is the sort of electrical sales that have almost disappeared from the high street of this country.

**Professor Parker:** It might be because the whole high street is more sustainable.

**Chair:** I think it actually helps to sustain the high street, so it is a bit circular.

**Mary Robinson:** I would be interested on that to know whether this is a trend that is unique or particular to the UK, or whether we are just ahead of the trend.

**William Grimsey:** You would have to take that back and research it. However, the online side of electrical retailing is huge.

Q27 **Mr Prisk:** Can I turn to the notion of promoting places? You have mentioned, Mr Grimsey, others have talked about, and some of the written evidence has highlighted, that obviously there are places that have natural assets—historical, attractive locations—which mean that they prosper and probably will continue to do so. If this inquiry is to have real value, it must look at those smaller towns that are less glamorous, where they have clearly learned how to promote their brand, to put it in marketing speak. Do you each have an example of a particular town like that where you think, “These guys have got it right”?

**William Grimsey:** There is a small town near Nottingham called Southwell. It is a city, actually, I think; it has a cathedral. It must be one of the smallest around. Its high street is a goldmine of independent stores, mostly family-oriented as businesses and mostly local heritage. They do quite a good job of protecting that, so they have something to build on. That is an example, but they have not built it. It is a consequence of what is going on. It has evolved.

**Professor Parker:** I would probably tell you about Altrincham. In 2008, it had the highest vacancy rate of any medium-sized small town. It has the Trafford Centre on its doorstep, which at the time it was built was the second largest out-of-town shopping super mall. What it has done over many years really, probably from around when the Trafford Centre opened in 1997—which really impacted on the town, which lost a lot of its footfall, retailers and purpose—is build itself up over that period of time. It has understood its local catchment very well; it has not just lurched into doing something that a town down the road has been doing. It has reinvented itself. It has rebranded under this umbrella of being a modern market town. It looked at giving the market over to a new operator. Nick Johnson and his wife, Jenny, took it over. They were regeneration specialists. Now it has won the market of the year. It is just an anchor



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for activity in the town, and has given a sense of confidence back to the town. All of those pieces of the jigsaw have to be there. You have to understand the data, you have to do some reinventing and have a decent product before you re-brand and communicate.

Behind the scenes, what has happened is the restructuring of the governance and the management. I understand that we need strong local leadership in the local authorities, but these decisions are not just taken by local authorities. We need lots of insight from the people that understand the town, from the civic society through to the traders, and they have been brought in to decision-making fora so that the right decisions get taken. There are always arguments in towns and everything is contested, but gradually everything is moving in the right direction. Altrincham is a really good case study. It will not stay okay. We need to get away from this idea that if we just have this perfect regeneration scheme, everything will be fine. We have to be monitoring and doing things all the time. This type of work is like gardening. Architecture thinks it is like one big project, but it is not. It is more akin to looking after your garden, going out weeding and doing a bit here and there. It is constant.

**Mr Prisk:** It has to relate to what the local community is doing, and that community will change. I get that.

**Dr Coca-Stefaniak:** This is actually the topic of one of our EU-funded projects, the SHARE project at Greenwich. I could mention Šibenik in Croatia, Vadstena in Sweden and Perugia in Italy. There are a lot of towns that, for one reason or another, were ailing and are beginning to recover through smart solutions. Those smart solutions may include anything from digital and physical trails for families to follow, which criss-cross the town centre, to heritage trails and interesting facts trails. Choose your age group and we will give you the trail to do fun things. That is one of the areas we are investigating in this project.

Q28 **Mr Prisk:** Do you have any UK examples? We want to look at overseas, but it is nice to have a local one as well.

**Dr Coca-Stefaniak:** Yes. To me, Greenwich is a good example of that. Why? Because until not so long ago it was a part of London that was in need of regeneration. There was a lot of poverty in the area. It has been turned around. It has not just been regeneration. In addition to a town centre management scheme, they have a very successful tourism destination management organisation called Visit Greenwich under Barrie Kelly. These guys have won several awards in the last three or four years for the best promoted tourist destination in the UK, in spite of the fact they are competing with central London. To me that is quite a success. You need that focus on the visitor economy and tourism in order to be able to do that. You also need property owners and landowners on board in your partnership, but that is something we may want to discuss later on.



Q29 **Mr Prisk:** Mr Grimsey has argued that local leadership, whether that be the local authority, civic, the business community or whatever, is the critical issue. Is there somewhere that national Government have a role, or is it really fundamentally about the local level?

**Dr Coca-Stefaniak:** If you look at the recent recommendations of the smart cities all-party group, one of those was that leadership at local level should be exercised perhaps in a more efficient way. I would argue, in line with my colleague's arguments earlier on, that leadership and vision are important. You have to know where you want to be and how you are going to get there. Tourism is particularly good at delivering that, perhaps because of that ambition.

Q30 **Mr Prisk:** In promoting place brands, you obviously feel Government have a role. What is that role?

**William Grimsey:** Central Government have a role to create conditions for success. They do not have the responsibility to create the success for each town. The conditions that need to be created for success are, first of all, data and the central portal that we mentioned right at the beginning of this exercise, and, secondly, to recognise that local authorities, with a town centre commission of their own, lead but encompass and co-ordinate all stakeholders.

We have a thing called a BID in this country—a business improvement district—and by definition they are there to improve business. They should be replaced by community improvement districts, which include business as well. Bring all of those stakeholders under one group. How can central Government help with that? They can help by providing support to a project that would actually build the man profile for what you need for 21st century chief executives of local authorities, how they build their business plan, how they bring all these constituents together, how they put the measurements in place and how they feed the central portal. Supporting that as an exercise is something that central Government can do, and that helps to create conditions for success.

Finally, they can examine all of the red tape and the issues that face local authorities in dealing with things that they currently have. For example, compulsory purchase is not as easy as it sounds, and it ought to be easier if you are going to carve through things like that. That is just one example, but it is about getting into the red tape and taking that away. After that, I do not think central Government have a role to play. It is all local.

The only question is about what "local" is. That is a whole other debate. Scotland is doing a great job. They have central Government and Scottish towns partnerships and they are working on it, whereas in the UK we have parishes, districts, counties and integrated councils. It is really a mess, to be frank. If we could sort that lot out, we would actually get town centre commissions that really build business plans, are



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led by great leaders and incorporate everybody because the model has been created by central Government.

Q31 **Liz Twist:** This is really along the same lines of what you have already talked about. How are the best-performing councils supporting their high streets and town centres?

**Professor Parker:** The best-performing councils are facilitating getting these sorts of groups together. We have a lot of examples of very functional partnerships. Sometimes they may be more led by the public sector and sometimes they are more led by the private sector and the business improvement districts. The best areas have a mix. Having this remit is never going to be in one organisation's structure. Those good councils are relaxed about that. If someone else is taking a lead and they can facilitate, and if they are taking people on-board with them, then they will facilitate that.

The better councils are investing in up-to-date data and intelligence that really helps to inform those decisions. More importantly, they share that. You still see a lot of places buy footfall data and other types of data, and then do not share it with anyone else in the town. Everybody needs to see that, because everybody has a stake in making things better. They have that confidence, if you like, to act more locally. They are not just getting consultants in to do more retail capacity studies and then following the same retail strategy they have been following for the last 20 years. They are thinking, "Okay, let us do something different".

Going back to the Altrincham example, it is a good example, because there is nowhere that says the amount of footfall and sales things like markets generate. We had to do that research from scratch, and that is difficult then, because somebody will come along and say, "If you put this type of retail unit in, it is going to create that type of value". For the local authority, even though a lot of it is just rubbish and based on models that are completely out of date, it is hard for them to stand up and say, "Maybe that is not the case anymore". Those are the better examples, but I am afraid they are few and far between.

**William Grimsey:** This is a good role for central Government. The best-performing local authorities that I have come across have good leadership in the officers. We have officers and elected members to these local authorities, and in business you have executive directors and non-executive directors. It is clearly the chief executive's job to drive the strategy for the company, to present the strategy to the board and have it scrutinised by the non-executive directors, who prod, poke, question, analyse and add to it.

What I found in all the conversations that I have had up and down the country—and believe me, I do a lot of this—with local authorities, where there were strong elected leaders poking their noses in, as it were, because there were weak executives, their thinking is short-term because they are on a voting cycle. We need to stand back and say that local



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authorities are the business link to the community, creating this town centre commission and leading it. It is the upgrading of the executives that we need to do, and there must be a clear role for the non-executives, i.e. elected members, to question strategy. Where that happens it works.

In Stockton-on-Tees it is there in spades. If you ever get a chance to go there, ask Neil Schneider to show you around, and he will tell you straight up that he is fighting a tide against him, but he has the support of his board, i.e. the non-executives and executives, and he is bucking the trend in the area. It is an economically deprived part of the world, but he has the lowest vacancy rates, the lowest churn, et cetera. That is because he has that mix right, and we need it across the country. We desperately need it.

**Professor Parker:** Elected members have an important role to play too. We are involved in a project in Manchester at a moment where we are working with district centres, which is a smaller level than we are talking about here. We are doing that piece of work under the guidance of the scrutiny committee, which is part of an economic scrutiny committee. That has been really important, because it means we can bring the data, research and the evidence to the elected members, where normally they would just listen to the lobbying of their local traders asking for free car parking and so on. We can work with them and show them the data we are getting out of the project. They say it has really increased their level of understanding of high streets. That would be a useful programme.

**William Grimsey:** That is what non-executives do on plc boards. They say, "We would like to commission something", they get the board to agree it and then you go and do it. They want to check what the chief executive is doing for them. We have to get these local authorities working like businesses, and, unfortunately, the chief executives I have met are often there just to balance books. Particularly after seven years of austerity, that is all they are interested in. They do not have time to even think about visions, futures and plans of that nature. It is a very worrying situation.

**Dr Coca-Stefaniak:** A good example in the UK, if I may, is Cambridge. One of the reasons why Cambridge has been particularly successful is because the local authority has seen the value in co-operating directly and actively with the business improvement district, and at the same time with a very successful tourism destination management organisation, and bringing them very close so as to avoid replication and achieve synergy. That is a key case study for success.

Outside the UK, though, we have done work before with the regional government of Andalusia in southern Spain. One of the interesting things there that could apply to central and local government, which was quite an innovative scheme, was that they said, "We will help fund your town centre management scheme or the smaller place management scheme



provided you meet these criteria and provided we can monitor and evaluate the performance over a period of time of your scheme". The funding, in this case from the regional government, although it could just as well have been from the central Government, was subject to the collection of data such that the same data gathering methodologies applied to everyone, so we are hopefully comparing apples with apples, but there is a carrot as well, and that is funding.

**Q32 Liz Twist:** I am interested in the role of the BIDs and the councils. Which should have priority? Should the council lead the strategy?

**William Grimsey:** It should be neither. They should be part of the same body. That is why there is a need for a town centre commission in that town, led by the local authority, in which a business improvement district, if it exists, is there. There are LEPs as well. It is very important that it is part of building the one plan. If it is not, then it will not work.

In Scotland, they are experimenting with community improvement districts. BIDs have a chequered history in this country. They have worked extremely well in urban areas; they do not necessarily have quite the same strike rate in smaller areas. I know of one national retailer which has a bill of £700,000 a year to fund BIDs and cannot measure the return they get from it. We are approaching a crunch point there where we can get community improvement districts, which include businesses, but also all other parts of the community. Scotland is pioneering this with the Scottish towns partnerships, so we have models out there we can look at. It has to be one body.

**Q33 Liz Twist:** If I can move on to something more specific and ask you about how councils can use their planning powers in relation to town centres. I was very interested in the comment you made, Mr Grimsey, about some of the large chains building custom-built stores and then just leaving them. Do we need some kind of requirement to pay something back to find alternative uses?

**William Grimsey:** Personally, yes. I am sorry to harp on about Stockton-on-Tees but it just happens to be a case study here. It is a disgrace that we have a situation in Stockton-on-Tees where Marks & Spencer and its shareholders have exploited—that is not the right word but it helps—the community for a number of years and now it is upping sticks, walking away and leaving a gaping hole in the high street because it has access to out-of-town shopping. That will put them in the right place but they will leave a gap. It is just not acceptable and it needs to be looked at.

**Q34 Liz Twist:** What about planning more generally?

**William Grimsey:** The other planning things you should look at is change of use. It ought to be easier for local authorities to look at how they can get change of use. It ought to be easier for them to do compulsory purchase than it is. They have to jump through lots of hoops. In Roeselare, if a landlord leaves a shop unit empty for more than



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six months they are fined. They do not get any respite. They get carrots as well as sticks. If they find a tenant, they will give them an incentive to get the tenant in there. It is not charity shops. If you got to Penzance there is a whole high street full of charity shops. That has to be an issue. It is all predicated on the back of landlords being able to get rate relief and still get just below market rent for their property. It is a nonsense and it needs to be stopped.

**Professor Parker:** It is not just the lack of adaptability of some of those buildings. We talk about planning blight; there is developer blight as well. Developments look like they are going to start, and then nothing happens for some time and then perhaps nothing at all. Bradford had a huge hole in its town centre for nearly two years. That does incredible damage to other investment, footfall and all other important indicators.

Planning is important, and so is not weakening. When we do things around putting the town centre first, planning guidance 6 gave lots of help to local authorities so they could put their town centres first, and then over time we seem to weaken that. We need to constantly go back and review, and not add in wiggle room that makes it a lot easier for development to happen on the edge of town or out of town. The edge of town is really important now, because if retail is shrinking, then edge of town might be too far away; it might as well be in another town or out of town in terms of the impact it has on the centre.

If I can just come back and make a point about the effectiveness of partnerships, we do need to keep coming back to collecting data so that we know whether they are effective or not, and we do not rely upon anecdotal data. Business improvement districts have formed a group themselves called The BID Foundation. The first piece of work they wanted to do was commission research into how effective they are, because they want to add value to their levy payers and their local businesses. That might not be the case with all BIDs, but unless we collect the data on what impact they are having, it is very difficult to tell. Most place management organisations, whether they are BIDs or local partnerships, really do want to make a difference; otherwise, they would not exist.

**Dr Coca-Stefaniak:** If I may add to that, it is important to realise also that the position of a town centre manager is not a statutory one, unlike the case of a senior planner. Inevitably, town centre management has borne the brunt of much of the funding cuts in local authorities recently. It is important to keep that in mind. When we looked at town centre managers or place managers in the UK compared to other countries, we found something that was quite extraordinary. In a paper published at the Institute of Place Management conference in 2015, in Poznań, Poland, titled *Managing town centres and destinations – insights from an international survey of professionals in the field*, one of the things that emerged was actually that town centre managers in Sweden spend a much higher amount of their time involved in planning decisions for the





town centre compared to their UK counterparts. The question is why. Is it because property owners and landowners in Sweden are always an integral part of that partnership, or is it because in Sweden and Norway there is a culture whereby place management is often carried out not just by economic development officers but also by architects, urban planners, et cetera—people with perhaps more of a multi-disciplinary background. That is important, and it is perhaps something we can learn from.

**Chair:** I am conscious we have been going on for an hour and a half. We have another 20 minutes to try to get through the rest of our questions, so let us have focused answers.

Q35 **Liz Twist:** The next question was going to be about tools, levers and resources, but we have talked quite a bit about those. Are there additional tools, levers or skills that we need in the UK to help town centres thrive?

**Professor Parker:** We definitely need to support skills, understanding local data in making those decisions and engaging stakeholders; it is all of the sorts of things we have talked about. The skill level for doing that is pretty low.

**William Grimsey:** It is also about technology skills.

**Dr Coca-Stefaniak:** We found, in a recent report released this year, *Place branding practice in the UK and Ireland*, that actually one of the problems with the place management profession in the UK and Ireland is a confused understanding of strategic place branding. We sometimes think that logos are everything, yet there is a lot more to it. It forms part of the skills element. It probably merits further investigation.

Q36 **Helen Hayes:** You have given quite a lot of reflections already on partnerships, business improvement districts and so on. I just want to ask a couple of quick things. What evidence is there of the impact that BIDs are having up and down the country? Is there evidence that they work better in some locations than others, and what can you tell us along those lines? Secondly, with regard to the question about BIDs perhaps evolving into community improvement partnerships, what would be the changes in mechanism that would be necessary? At the moment, BIDs have a very tight accountability line that is to do with the money that businesses vote to pay, what they pay, the benefit they see getting back from it and the opportunity to review that decision at the end of the BID period when they vote again.

Moving to a broader model, which I agree sounds much more fit for purpose, in lots of ways, than the current model, what would be the changes in funding and process that we would need to implement that?

**Professor Parker:** We have seen a growth in business improvement districts, so in one respect perhaps they are doing something right, because people seem to want to have them in their locations. But as I



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said, there has been little evidence on the ground. That is one of the things that some of the BIDs want to find out.

We have embarked on quite a large study, which is a review of the business improvement district sector across the UK. Some early findings are that, on the whole, for the BIDs that go to a first, second or third ballot, the number of people who turn out to vote and the increase in the “yes” vote, in terms of number of votes and by the size of operator, have gone up. When they are operating over more than one period, and they are being renewed, hopefully they are doing the right thing. We have been commissioned by the Scottish towns partnership to review all of the business plans of BIDs in Scotland. That is really useful, because we can see what it is they are going to spend the money on and do, and we can also compare that to the factors that we know will impact on vitality and viability. Some initial findings show that they are all doing a lot of place marketing but perhaps are not addressing things like activity hours. Activity hours comes out as being really important. It is being open when your catchment wants you to be, and that is one that is not so well addressed. That is not just through BIDs; it is all of the partnerships.

We really need any place partnership to be doing interventions that make the most difference, and somehow we need to review what they are doing to make sure they are having a positive impact. We just have to collect that data. We should have findings by October or November, so I am very happy to share those with you when we have them.

In terms of what changes, there is a lot of legislation that had to be brought in to have BIDs in the first place, so making any changes to that is obviously quite a big piece of work. It is just keeping that same principle that if you are going to have more people in that partnership, they have to buy in to something that is going to improve the whole area. Already, it is perhaps difficult sometimes for professional services to think about what value they are getting from a business improvement district that is driving footfall to a town centre. It might be doing lots of events and things like that. It is important for the BID to understand the needs of those organisations too. That might be through things like collective purchasing, or it might just be making the town centre a much more pleasant environment, so that you are more likely to attract and retain employees. You mentioned green space. That is incredibly important to people that work in town centres, yet it is something we do not really think about often.

The more people you add in, and changing legislation to do that—and it might be residents or property owners—the more that organisation then has to meet a more diverse set of needs. The rationale or the logic is there: that is improving and strengthening the place, and if you are improving and strengthening the place then everyone is benefiting.

**William Grimsey:** It is early days. Community improvement districts are springing up in the US, and out of the BID process. Scotland is



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already starting, through the Scottish towns partnership, to look at community improvement districts, which would then embrace all the institutions in the community as well as the community itself, as well as businesses, to enhance the place. There is no logic that says that is not a good idea. The question is the “how”, and what legislation is required.

My concern is that BIDs, by definition, are there to improve businesses and not necessarily to look at the long-term development of the place or align to any future business plan for the place. It is terribly important that we look at that logic and examine it. Where it has started in the States and where they are experimenting in Scotland, we need to put that on our radar and see whether or not there could be opportunities to experiment more widely with it.

**Professor Parker:** We run an MSc in place management and leadership at the university, and they are exactly the sorts of things we take the students through, so that no matter what place partnership they are working in, whether it is a BID or any other local authority, they understand the place landscape that they are working with. Somebody has to try to take the lead and create that vision, but it cannot just be done by the BID. It has to be working in partnership.

**Dr Coca-Stefaniak:** If I may add to that, as much as we are all in favour of actively managed places, there is no conclusive scientific evidence yet showing that indeed BIDs, town centre management partnerships and all other hybrid models that exist across Europe work. What we know is that there are more and more of them, which is fantastic. We think they work and retailers think they work. You would have to ask local communities what they think. In research published in 2016 from the University of Greenwich, with the Association of Town and City Management, titled *Business Improvement Districts and the Visitor Economy*, we found that 40% of BIDs in the UK did not mention tourism or the visitor economy in their strategies. We found that of the 133 BIDs that we analysed only eight actually used the specific term “visitor economy” to explain the work they were doing in that area. Perhaps, in addition to all the janitorial and other areas that BIDs cover—as well as town centre partnerships, but in this particular case BIDs—there is probably a gap and an opportunity for tourism and the visitor economy to be addressed more effectively.

**William Grimsey:** All of the high-profile business failures you have seen this year have been part of BIDs. Why are they shutting the shops?

**Professor Parker:** I just want to say that not all towns are going to have a visitor economy, so it is not surprising it does not feature in their plans.

Q37 **Mr Dhesi:** We have examined a lot of councils and partnerships. Let us now explore the Government’s work on high streets and town centres. Since 2011 there has been the Portas pilots, the Future High Streets Forum and the Great British High Street. There has been a mixed



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reaction. The British Independent Retailers Association, for example, has been particularly scathing, describing it as “wholly inadequate” and “small scale”. It said “the delivery was a little more than a gimmick”, and so forth. In your expert opinion, what is your assessment of the impact of the Government’s work on high streets and town centres since 2011?

**William Grimsey:** I am in danger of agreeing with the BRC for the first time in my life, which is frightening. There is absolutely no doubt in my mind that central Government need to put their hand up and accept that the Portas Review was nothing more than glitz and glamour. The pilots that came out of it were superficial and did not have long-lasting benefits. That is why we wrote the Grimsey Review, because we felt that it had missed the point about structural changes that were coming down the track and what you needed to do. We wrote that and put it to the then Government, which said, “No, thanks, we have Portas”. We took it to the other side. They said, “Yes, please”, but they wanted just to do BIDs, so they did not listen.

Here we are five years on. We have revisited the review and the Future High Streets Forum, as far as I am concerned, has done very little in that time. The Great British High Street is a competition. Retailers love competitions. It is a bit buzzy, but it keeps it out in the public arena. However, it does not get underneath the root of the issue.

The fact is that Westminster needs to just accept that it has not listened to some of the stuff that has been put before it, including making town centres and high streets a top Minister’s job, and stop appending it to junior Minister profiles, because it does not get the attention it needs. It encompasses retail, which is a great employer in this country as well as our communities and local economies, which drive Great Britain. It is time to wake up and smell the coffee. We are in a technology revolution. Our town centres need to be restored to thriving places where people congregate and local economies work. There are answers out there, some of which are in these reviews and other reviews. We have to get the leadership coming from Westminster. The two things they can do immediately are to endorse a project to have a central data hub that we can populate with statistics and best practice for people to access, and to put in place a proper education and training model that enables us to get the right leaders into these local authorities, the right business plans in place and to help them drive forward a collective solution including all of the bodies that are out there. If we just do those things, then we will have made a significant contribution to creating 21st century town centres that we can be proud of.

**Dr Coca-Stefaniak:** Some of the Portas teams did wonderful things. They were really exciting and they generated buzz in town centres and communities. I would like you to consider one thing. The work they did and its success was never evaluated formally. Perhaps that is something that we cannot address now but it is something we should learn from for future initiatives funded by central Government.



**Professor Parker:** It is that long term co-ordination and it is important for those groups. It is no good to just start things up with projects, fund them for two years and then disappear. Those people start to make strong relationships, take action and get things happening, and then just at the wrong moment everything collapses. High streets and town centres permanently have to be at the heart of Government. It cannot be left to reviews. There need to be people right in the heart of Government all of the time being concerned about them.

Q38 **Mr Dhesi:** If I may, Chair, what aspects of the Government's work do you think should continue for the future, and what do you think the work of the new expert advisory panel will add?

**Professor Parker:** I have a little knowledge of the expert advisory panel. I have been asked to put on some workshops around the country to show the panel how town centre decision-making and partnerships work. That is quite good. Some of the problems and issues we have talked about today hopefully go straight to them, but it is not as though we have not said these things before. Perhaps the panel might be able to add a missing piece of the jigsaw, which is hearing from young people. We do not hear a lot about what young people want from their town centres.

Some of the work that is going on may be the "What do you think?" group, doing social listening around social media, and listening to what is going on and what young people think about high streets like Oxford Street. It is really interesting. It shows us how things might change in the future. One of the workshops we will do in partnership with the teenage market, and we will take the panel to see young traders who are 16 to 24 year olds who set up their own pop-up market stalls for the day. They have events and lots of young people coming, so it will be really interesting to hear from them. We have this evidence already. It is action we need now.

**William Grimsey:** I totally concur with what Cathy has just said. It is time for some action. I have absolute confidence in Sir John Timpson, who runs a really good business. I am quite sure that he will conduct a good panel here, but it is time to get on with stuff and not be sat here in five years' time without a central portal with all the data in it, without local authorities equipped to do the job and without cohesive plans for the future. We should address this issue head-on, because technology is not going to stand still for us or this panel here today. It is a desperate matter that we get on with stuff. There are people willing to do it.

**Dr Coca-Stefaniak:** I absolutely agree. I also see that local enterprise partnerships are going to have to have quite a challenge putting together their local industrial strategies for town centres by 2020. In particular, they want to make them meaningful for small and medium-sized towns. Here I would draw the panel's attention to the work done in France, where there exists a national city strategy that addresses exactly the same issues that I mentioned earlier on, from the study of smart cities in



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Spain, as to what people want out of cities, which include quality of life, security, environment, et cetera. All of this has been spelt out quite clearly in France. It could potentially work in a similar way. That is just a suggestion.

**Q39 Andrew Lewer:** How do you think we can help town centres prepare for the challenges that you have said lie ahead? What are your final thoughts on what you would like a successful town centre to look like in 2030, which, as you know, is the scope of the Committee's work?

**Professor Parker:** We need to build the capacity and skills of individuals, and make sure the right structures are in place to make decisions locally. That is the key thing that needs to change. If you do that, it does not matter what change comes round the corner, because you have people there who are able to adapt to it rather than waiting for everything to go into decline and not being more proactive. That is the major one.

In terms of what I would like the high street to look like in 2030, I would say busy. We always know when it is a healthy high street, because it is full of people. That is why footfall is a good indicator. I want to see lots of people of different ages using the high street for different reasons. There should be good quality public space and landscaping. They should be places that people are proud to say they are from, rather than feeling ashamed or embarrassed of. It is not a surprise. If you look at social cohesion and voting patterns with Brexit, there is a relationship between economic decline and how people vote. If they walk around their local centres, if they are all full of boarded-up shops and litter and other blights, then how disillusioned do they feel? It has an impact on people's physical and mental health. Town centres have to be vital and vibrant again.

**Dr Coca-Stefaniak:** I would like to see Government, in addition to the data suggestions we made earlier on, help us understand, in terms of research, what the interactions are between the different factors. We mentioned so many factors today that affect the success and failure of the high street. What is the interaction between them? If I do something about car parking, what impact will that have on, say, the image of my town centre, and so on and so forth?

In terms of strategy, scenario planning is a must. If we are uncertain about what the future will bring, we should start looking at scenarios, and that is an established methodology. We need to be looking at potential threats such as security, the potential impacts of cyberterrorism, environmental factors, such as growing air pollution in town centres and the impact that will have, in spite of all our best efforts at community and retail level, flooding and all sorts of other environmental issues. Socially there is gang violence, social unrest and riots. All these things are interrelated.



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**Chair:** You are not painting towns as a very attractive place to go at present.

**Dr Coca-Stefaniak:** Apologies for that. I have taken too much of a defensive approach here. There are two things I would like to see, just to finish, in town centres in 2030. I would like to see them serving their communities with a clear strategic purpose. That is one. The other thing I would like to see is them providing a safe and imaginative place to live, work and visit.

**William Grimsey:** I am going to turn to a colleague of mine, Professor Laura Vaughan, at the Bartlett School of Architecture, UCL. She makes it very clear that well designed high streets can be seen as a public health asset. They can provide public space that is inclusive of people of all backgrounds and ages, and is accessible to people of all levels of mobility. They can provide a centre for people to gather, to feel relaxed and to connect with others socially. They are therefore important both for physical and mental wellbeing. New thinking, fresh leadership and ambitious initiatives need to come out of these kinds of forums. If we do that, then we have a chance to leave a legacy of good town centres for our offspring. If we do not, we will pay a heavy price here, and we will lose a key part of our national character—we are, after all, a nation of “shopkeepers”—and be poorer as a result. I really hope that we will see action to get things done this time.

**Chair:** Thank you very much, all of you, for coming and giving us a range of evidence today. You all feel very passionate about this and that came across in this evidence session. Thank you very much indeed for spending time with us.