

CENTRE FOR LONDON

# Community town centres

*Joe Wills and Claire Harding*



# Community town centres

*Joe Wills and Claire Harding*

## About the authors

### Claire Harding

Claire is Research Director at Centre for London. Before joining Centre for London she was the Head of Research at Coram Family and Childcare, where she led on the annual Childcare Surveys. She previously worked in research and development at digital mental health provider Big White Wall, and in public sector research consultancy. Her research interests include education and opportunity, wellbeing, equalities and gender.

### Joe Wills

Joe was Senior Researcher at Centre for London, and co-authored reports on local governance, planning and development and transport. He now works in the Policy team at the London Borough of Haringey.

## Acknowledgements

We are very grateful to all those who shared their experience and input through this project. Particular thanks to the members of our advisory group: Ruth Breidenbach-Roe (Locality), Ruth Duston OBE, OC (Primera), Justin Griggs (National Association of Local Councils), Ibrahim Ibrahim (Portland Design), Stephen King (London Councils), Rachael MacMillan (Historic England), Ailbhe McNabola (Power to Change), James Parkinson (Greater London Authority), Nick Plumb (Power to Change), Phil Prentice (Scotland's Town Partnership), Tom Sykes (Transport for London), Chris Turner (British BIDs) and James de le Vingne (Co-operatives UK). We are also grateful to James Childs, formerly of the *Estates Gazette* for the data in Chapter 6 on resourcing, to Frances Northrup of the New Economics Foundation for her insights, and to former Centre for London colleagues Mario Washington-Ihime and Ben Rogers for their work on this report. The views expressed in this report are solely those of the authors, and all errors and omissions remain our own.

This report would not have been possible without the generous support of our funders: Good Growth Partner: Transport for London, Funders: National Association of Local Councils and Power to Change, and Major Sponsors: Greater London Authority and Primera

<b>Summary</b>	<b>5</b>
<b>Introduction</b>	<b>9</b>
<b>1. How did we get here?</b>	<b>11</b>
<b>2. High streets, change and multifunctionality</b>	<b>14</b>
<b>3. Social and economic value</b>	<b>24</b>
<b>4. Governance of the high street</b>	<b>28</b>
<b>5. Getting it right in each place</b>	<b>36</b>
<b>6. Structural factors: Property ownership and finance</b>	<b>43</b>
<b>7. Recommendations and guidance</b>	<b>49</b>
<b>Endnotes</b>	<b>56</b>

# Summary

Amongst the many terrible costs of COVID-19, the pandemic has had a huge impact on the places in which we live our daily lives. In our cities, normal patterns of movement and spending have been completely upended. While shops and businesses in city centres have borne the brunt of lockdowns and an extended period of remote working, local neighbourhoods have become more important – particularly as more time and money are spent closer to home.

While some changes and challenges brought about by the pandemic are new, others are merely a continuation or acceleration of pre-existing trends. Lockdowns have driven a big increase in online shopping, which has in turn hastened the decline of high street retail. The demise of several well-known high street retailers over the last year has also seen a renewed policy focus on what we should do about our high streets. If mass retail is no longer the answer, what is? What other activities should take place on our high streets and in our town centres?

This report shows that there is a clear and compelling argument for allowing communities to answer that question. The way that local groups have supported their more vulnerable neighbours during the pandemic has powerfully demonstrated the importance of community and the central role of local action. However, as we look forward to a recovery from the impacts of the pandemic, the question of what role our neighbourhoods and communities will continue to play remains on the agenda.

**Based on quantitative and qualitative research carried out with the help of a wide range of town centre stakeholders – including community groups, local authorities, place managers, Business Improvement Districts, retailers, landlords, academics and civic societies – we conclude that:**

- There is a natural alignment between a move away from retail dominance and towards greater community input. When retailers close, they leave vacant units on high streets. Local communities are usually the best placed to propose and deliver new uses for these units, keeping them vibrant and attractive.
- Community businesses and other local enterprises that reinvest their revenues into continued local improvement have a strong track record of delivering social and economic value.
- The commercial property market may need to adjust if community organisations are to act as operators on the high street. High and inflexible rents, as well as fragmented ownership, can act as barriers to positive community-led change.
- The extension of permitted development rights to cover commercial to residential conversions could threaten high street viability if it means too many commercial units are converted into homes.
- More meaningful and widespread community involvement will be a necessary part of reformulating the high street's role. Broad and inclusive participation is a prerequisite for success.

Successful high street renewal will require a genuine partnership between all town centre stakeholders: private, public and community sectors must work together. Current high street recovery programmes, particularly the Greater London Authority's (GLA) High Street Challenge, offer a practical opportunity to do this. There are a range of possibilities for how community involvement in high streets can be structured and funded.

These include the idea of “Community Improvement Districts” (CIDs), similar to the successful Business Improvement Districts (BIDs) model. We argue that it is better to think of a Community Improvement District as a duty to meaningfully include communities in processes of renewal, rather than as a specific governance model.

#### **Our research suggests that:**

- The principles and values that guide community governance in town centres are more important than the legal form this governance takes.
- It is generally better to work with and through established groups and mechanisms, rather than creating new groups at the first stage of engagement.
- The first step for groups seeking to create a high street community governance structure is to co-create a vision for that high street and the role it will play in people’s lives.
- Businesses – particularly small businesses – create social as well as economic value on our high streets, and the people who work on them should be part of these discussions.
- Community governance models gain much from volunteer and in-kind support, but they still need funding. Levies on residential property should not be the only funding source, since these are likely to be regressive and could risk deepening economic inequalities between areas if added onto the existing council tax system.

#### **In summary, we recommend that:**

- High streets and town centres should create inclusive strategies for renewal, with communities as key stakeholders. These strategies could be initiated by local authorities, or alternatively BIDs, other place partnerships and community groups could begin the process and involve local authorities at a later stage.
- National and local government should fund the development of these strategies. The programmes and initiatives for high streets coming on stream now are a welcome development, but do not yet go far enough.
- National government should reconsider the extension of permitted development rights on changes of use from commercial to residential properties. Some residential conversion can be positive – but maintaining a diverse core of activity in high streets is key to making sure people still want to spend time there.
- National government should review the powers of local authorities to intervene in high streets where there are cases of market failure. Potential changes could include facilitating compulsory purchase in instances of delinquent ownership, or considering “compulsory leasing” powers for commercial properties.

- National government should ensure that the upcoming Community Ownership Fund is flexible and appropriately targeted. Match-funding requirements could limit its effectiveness where it is most needed and applications for revenue funding should be allowed so that sustainable business plans for community-owned assets can be developed.

More detail on these recommendations can be found at the end of the report.

# Introduction

At the time of writing, more than a year has elapsed since the beginning of the first national lockdown. The initial shock of the changes brought about by the COVID-19 pandemic has given way to cautious anticipation at the prospect of permanent reopening. As we plan for reopening and recovery, it is worth taking stock of these changes and considering whether any could provide grounds for optimism and opportunity – amongst the terrible costs we have endured.

The changes in the economic geography of the city during lockdown have reinforced the importance of our local places. The adoption of working from home, closures of retail and hospitality, and the temporary end of commuting en masse have all changed how and where we spend our time and money. City centres have seen both footfall and spending decline dramatically: yet in some high streets that serve more local catchment areas, spending has increased.<sup>1</sup>

At the same time, the importance of our communities has been powerfully demonstrated. The early days of lockdown saw millions of people mobilise at speed. Local groups new and old took action to support their neighbours, and have continued to do so. New relationships also formed between different organisations, and established ways of working have changed – frequently for the better.

These issues come together around the places at the centre of our communities – high streets and town centres. Across Great Britain, 16 per cent of the population lives within 200 metres of a high street<sup>2</sup> – while in urban areas, the proportion is even higher. Across London as a whole, the figure is 37 per cent – but in 11 London boroughs it is over 50 per cent,<sup>3</sup> and for some like the City of Westminster and Kensington & Chelsea it is closer to 70 per cent.

As well as being places to shop, we know that high streets provide the setting for a whole range of broader social and economic benefits. As communities are the principal users of high streets, there is a compelling case for them having greater influence, as this would help ensure that high streets serve the needs and wants of a place. As the long-standing decline of mass retail accelerates, now is an opportune moment to consider – at a strategic and holistic level – what functions these places should fulfil, and how local people can have a stake in their operation.

Successfully reimagining the centre of our neighbourhoods is no small task. It will require a shift in thinking across a range of interests and actors, as well as the ability to take a longer view and accept a broader conception of value. Significant policy changes will be required across land use, ownership, transport, housing, taxation and local powers. This report is not intended to solve all of these issues, but rather makes the case for how greater community influence can play a crucial role in the big picture. As such, it aims to serve as a guide for enabling communities to take on a more active role in the stewardship of their high street. Recent proposals for Community Improvement Districts are examined as one mechanism to achieve this, and the report also provides a set of principles and practical steps to engage people and sustain community participation. This is with a view to making our high streets the beating heart of social, economic, civic and cultural life in our neighbourhoods once again.

The report's findings are the result of a mixture of quantitative and qualitative analysis. Researchers conducted a review of the existing academic and grey literature, examining the relationship between ownership and vacancy rates across different town centres in London. We also carried out over 30 hours of interviews with key stakeholders across the UK, including community groups, local authorities, place managers, BIDs, retailers, landlords, academics and civic societies.

# 1. How did we get here?



The high street has seemingly been on life support for many years now. The growth of out-of-town retail parks since the 1980s – and more recently, the growth in online shopping – have both been blamed for the decline in high street retail and high vacancy rates. At the most recent count, in the fourth quarter of 2020, national retail vacancy rates have been estimated at close to 14 per cent.<sup>4</sup> In many places, the vacancy rate will be far higher. Shopping centres are the worst off, with a vacancy rate as high as 17 per cent nationally. But for retail parks, the rate is several percentage points lower at 10 per cent – showing that high streets and shopping centres are faring worse comparatively.

The last 10 years has seen no shortage of national initiatives to try and address these issues. Yet national government-commissioned reviews and pilots have not been able to restore the thriving high streets of popular imagination. Some reforms in discrete areas of policy – from “town centre first” planning policies, to the introduction of new forms of governance like BIDs – have had successes. But they have not been enough to turn the tide alone.

Then, the COVID-19 pandemic arrived. There is a persuasive argument that COVID-19 has not caused wholly new problems for our high streets, but only accelerated existing vulnerabilities. Vacancy rates have increased in every consecutive quarter since 2018, indicating that the issues are deeper. Outdated models of local taxation, fragmented and opaque landownership, under-resourced local authorities, and the diffuse management of different elements of the high street<sup>5</sup> all predate COVID-19 – as does the rise of online shopping. As of January 2021, online sales made up 36 per cent of total retail spending in the UK. However, pre-pandemic, the figure was as already high as 20 per cent, and had been continually rising for over 10 years.<sup>6</sup> The role of technology in facilitating online shopping, and changing the way that consumers use traditional shops, is here to stay. Pre-coronavirus, estimates of oversupply in retail units were as high as 25 per cent,<sup>7</sup> and more recent estimates have put it as high as 30 per cent.<sup>8</sup>

## Where do we go next?

If high streets dominated by retail are a thing of the past, and there will be no “return to normal”, the question must be: where do we go from here? What do we do with the spaces that once would have been dedicated to retail? What range of activities and functions will bring people to the high street? How can they satisfy the public’s desire<sup>9</sup> for a recovery that enhances community connections, improves wellbeing, and tackles inequality? What role can high streets and town centres play in helping local economies to thrive? And crucially, how do local people have a say?

“More community involvement isn’t an argument anymore.  
The question is: how do you do it in each place?”

**Senior place management professional**

Part of the answer involves looking at how town centres are currently governed and managed. In each place there are different arrangements and partnerships of stakeholders, organisations and representatives, with a diverse range of approaches. Understanding how communities can (and should) fit into these institutional arrangements is one of the issues this report explores. The idea of the Community Improvement District has generated much discussion recently as a potential way to guarantee communities a seat at the table. This report aims to explore how the concept, loosely defined at the moment, could be implemented practically.

It is also important to note that this report is focused principally on commercial centres outside of the city centre. In London, that means outside of the Central Activities Zone.<sup>10</sup> City centres face a different set of challenges

and opportunities around the mix of activities in a post-coronavirus world, and are outside the scope of this report.

***Definitions***

“High streets” and “town centres” are defined here as areas of concentrated mixed-use social and economic activity, surrounded by residential areas. They stand in contrast to “out-of-town”, more isolated retail parks.

“Community involvement” is defined in a broad sense – from input into strategic plans and visions, through to active economic agency. We consider “community” to include local residents, people who work for local businesses, and those who work or volunteer in local third sector organisations.

# 2. High streets, change and multifunctionality



The historic policy focus on restoring high streets to their heyday of retail is understandable. The dominant paradigm of the UK in the late twentieth century generally understood high streets as places for shopping. The mass redevelopment and new planning system of the postwar era focused on attracting shoppers – both as a mark of prestige for the local area and as a route to prosperity. The value of business rates levied on retail, in contrast with industrial properties, similarly made the retail-led development of town centres attractive to local authorities.<sup>11</sup>

However, despite this popular conception and the long-standing policy consensus, the actual functions of high streets and town centres as places were already many and varied. High streets are by definition highly complex places, which respond to and are shaped by a far broader range of influences than just consumer shopping preferences.

### ***The high street is only “dying” if we take the viability of bricks and mortar retail as its only vital sign.***

A look at the range of factors that impact on the success and longevity of high streets shows why this is the case. In London, a large number of existing high streets came into being as a result of locational advantages alongside major transport routes. These developed in a linear pattern out from the medieval city – following Roman roads in many cases – and offering the possibility of enough passing visitors to support commercial activity. Other high streets developed out of villages which had come into being due to some other intrinsic advantage to the place, and which have long since been incorporated into the city as it expanded. These are typically more spatially consolidated – a “town centre” rather than the classic linear high street. The literature has categorised these two typologies as “connected” or “detached”,<sup>12</sup> and has shown how movement, accessibility and transport mode are still crucial in determining perceptions of place<sup>13</sup> as well as money spent there.<sup>14</sup>

High streets’ longevity has been sustained by providing enough different reasons to keep people coming. Diversity has been at the heart of their persistence for centuries. A detailed look at particular high streets over time demonstrates this. Tracking land use in one south London suburban high street since the late 19th century shows that, despite retail being the dominant non-domestic use, the high street has always served a wider range of functions than commonly appreciated. The problem is that local and national policy has not always recognised this diversity.

Figures 1 – 4 demonstrate how Surbiton high street in the Royal Borough of Kingston upon Thames has persisted by being able to adapt across periods of great change. Over the years, a number of activities taking place in the high street have remained – but the actual function of each building, and the relative proportion of different activities across the whole mix, has changed substantially. The ability of a place to adapt is in part determined by the physical fabric itself. Block layouts, frontages, depth of units, floor fit-outs and subdivisions all play a role in allowing individual units, and a place as a whole, to adapt. In turn, these features have been determined by a complex and interrelated range of factors, including their position within wider movement networks, land ownership, real estate investment patterns and planning policy.

Figure 1: Non-domestic land uses around Surbiton town centre in 1880

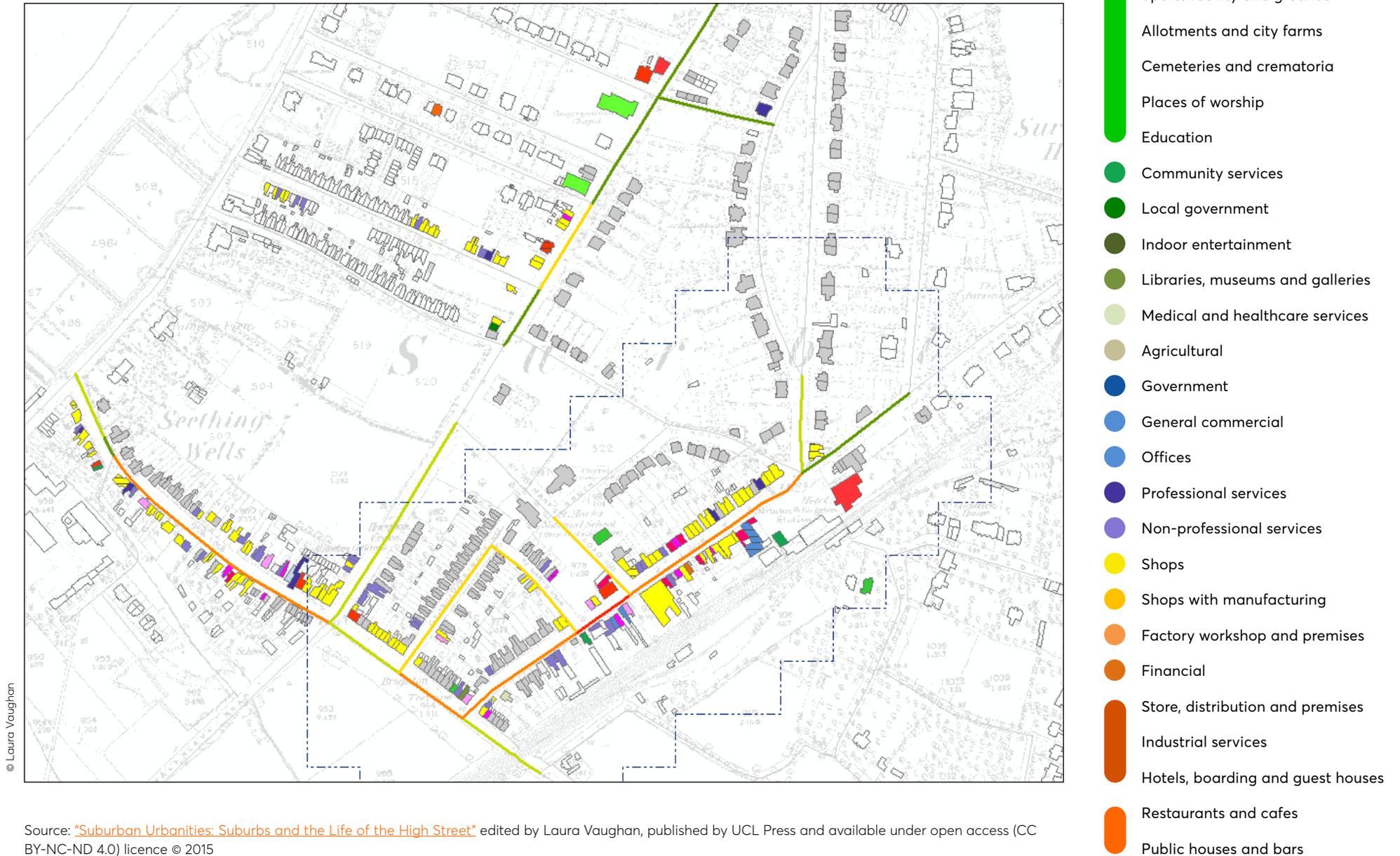


Figure 2: Non-domestic land uses around Surbiton town centre in 1910

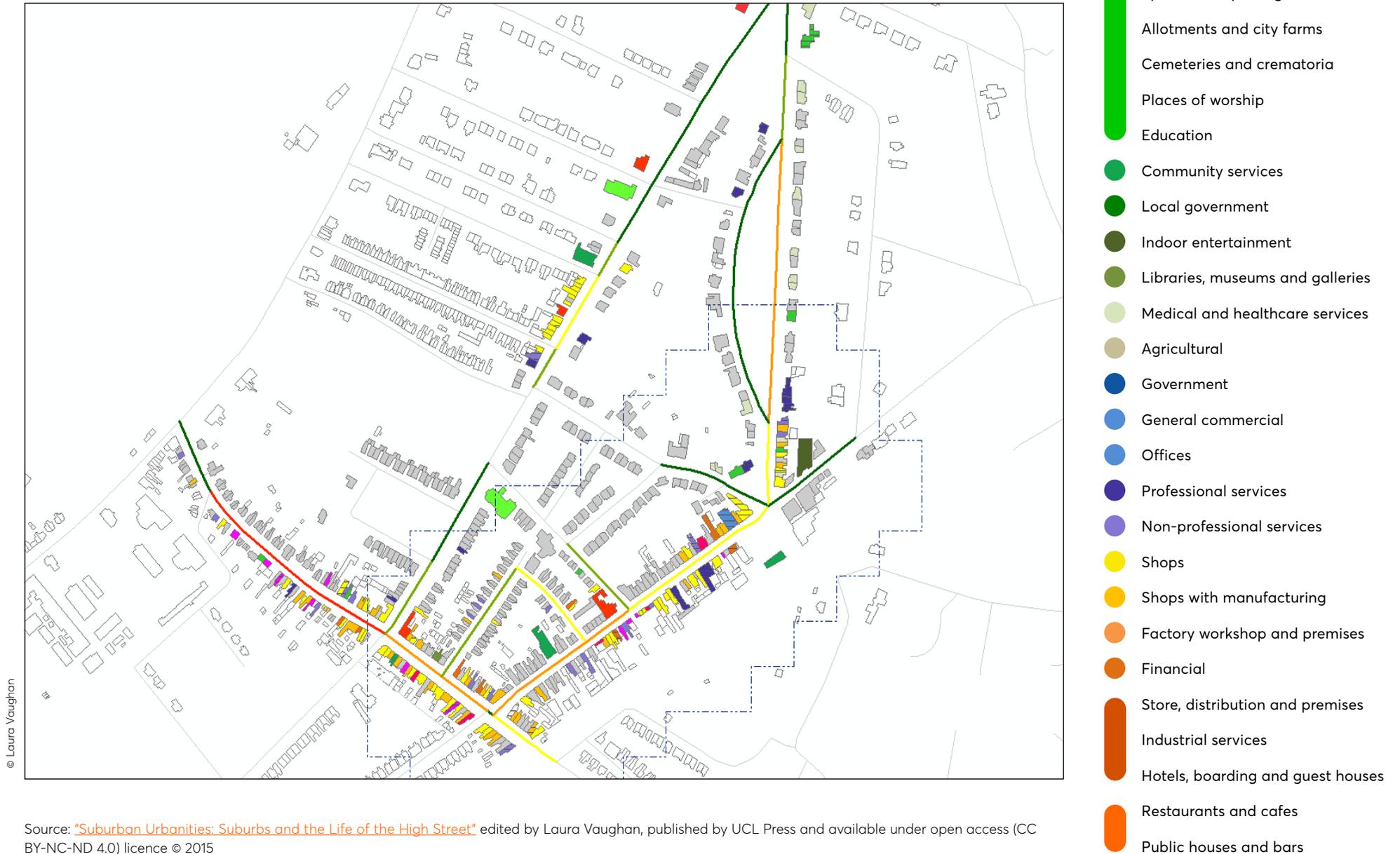
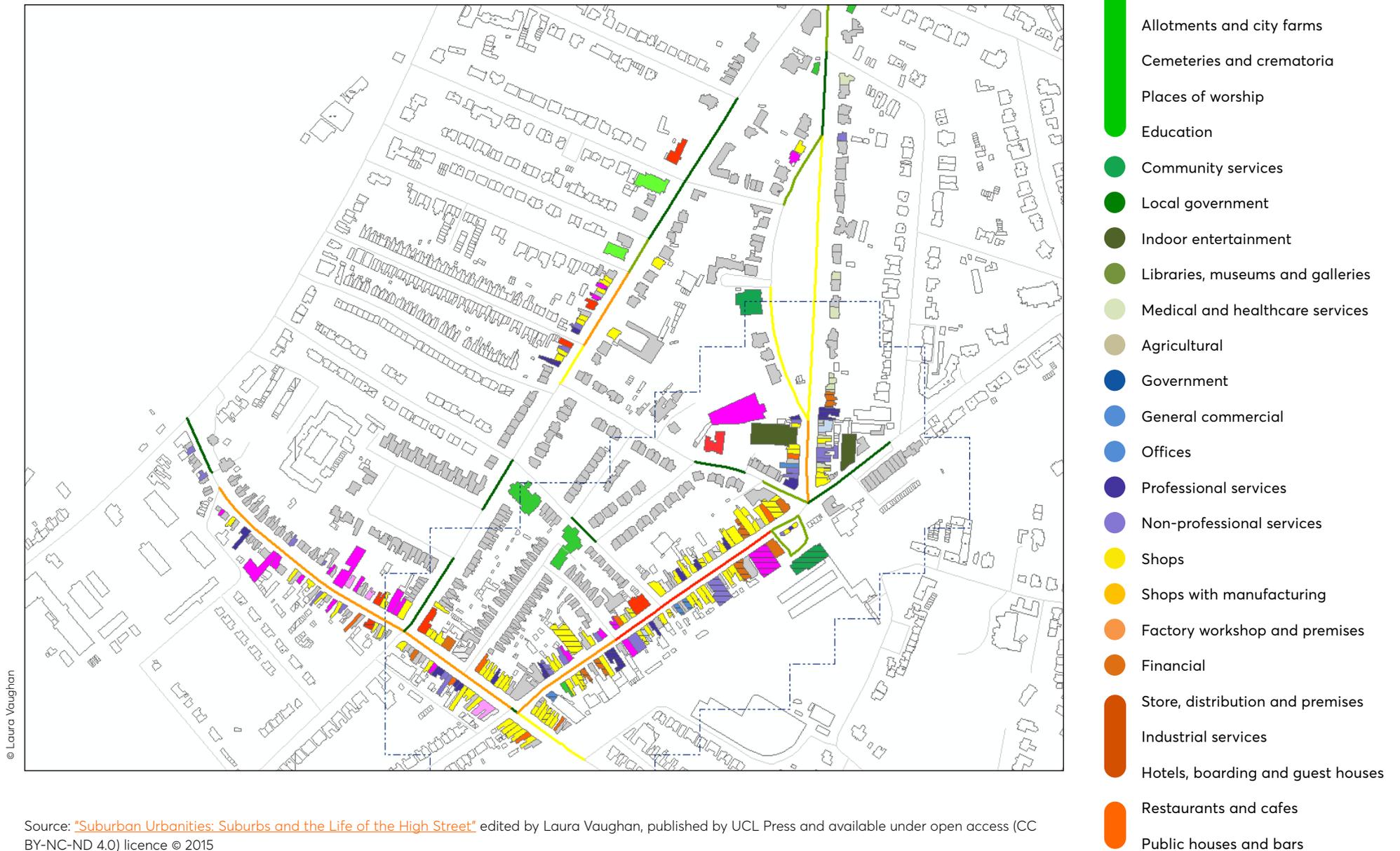
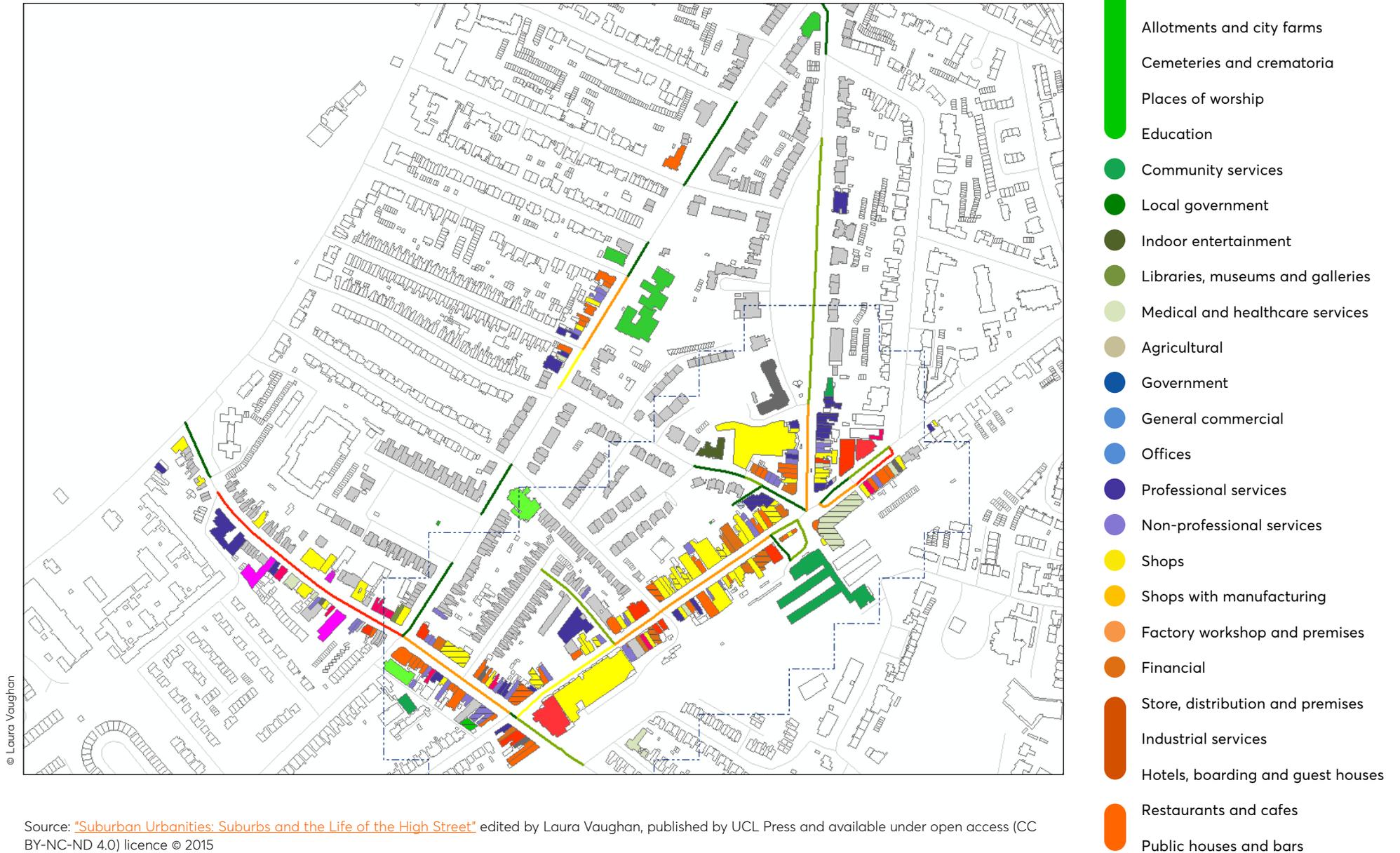


Figure 3: Non-domestic land uses around Surbiton town centre in 1960



Source: "Suburban Urbanities: Suburbs and the Life of the High Street" edited by Laura Vaughan, published by UCL Press and available under open access (CC BY-NC-ND 4.0) licence © 2015

Figure 4: Non-domestic land uses around Surbiton town centre in 2013



## How different people use high streets

This diversity of uses and functions is not just an historic artefact, however. Beyond land use surveys, vacancy rates and other retail-related metrics, a closer look at how groups and individuals use the high street makes its fundamental importance clearer.

In a detailed study of six different high streets across London, retail was shown to make up 55 per cent of non-domestic uses of buildings on average. However, when high street users were surveyed about the purpose of their visit, 66 per cent of trips to the high street were revealed to be for reasons other than shopping.<sup>15</sup> Further surveys across different case study areas have shown similar results: in a more recent study, 45 per cent of high street users surveyed said their primary use of the high street was not retail related.<sup>16</sup>

The importance of the high street is even more pronounced for underserved and marginalised groups. The same research found that people not in employment were over-represented proportionally as visitors to the high street. The high concentration of jobs around high streets could explain this. 41 per cent of all businesses in London outside of the Central Activities Zone are on a high street, along with 28 per cent of the jobs.<sup>17</sup> In a noteworthy comparison, Peckham's town centre accommodates 2,100 businesses and 13,400 jobs, whilst Westfield Stratford accommodates 300 businesses and 8,500 jobs.<sup>18</sup>

Detailed site-specific analyses often show highly integrated local networks of businesses and workspace that offer accessible routes into employment and enterprise with relatively low barriers to entry.<sup>19,20</sup> This can be particularly important for recent immigrants, who can find a point of connection with global networks and an anchor in the city through established communities.

These links between formal economic activity and informal personal connections or support are a characteristic feature of London's high streets. The concentration of commercial activities alongside community services, libraries, places of worship, leisure and culture offers a setting for contact with our neighbours, as well as opportunities for positive social interactions. High streets and town centres are a stage for public life and social integration.<sup>21</sup>

It is important to note that the particular high street or town centre that people feel most closely connected to may not always be their closest one. Some people have a strong connection to places linked to communities of identity. Others might spend a lot of time on a high street close to their child's school, their place of worship, their bus stop, or one which has the shops they most want to use. As such, we don't believe that involvement in town centre governance should be too formally constrained by geography – although in general, councils, community groups and other organisations will usually want to prioritise engagement with the people who live within immediate walking distance of a high street.

A picture should be emerging of a uniquely rich ecosystem of social and economic life and value. We need to preserve and enhance the good which already exists, and foster more where it doesn't. It is important to remember that high street renewal will happen in already-existing places.

↓ Peckham Library, Peckham High Street



© Alistair MacRobert



© Alistair MacRobert



© Flickr/fotologic

↗ Local businesses on Peckham High Street and Rye Lane

## ***Understanding what the strengths and assets of a place are – and not treating renewal as wiping the slate clean – is crucial.***

Assets could include physical spaces which add value, as well as community strengths and skills. The goal is to create town centres and high streets which have a varied and wide mix of uses, serve local needs in the broadest sense, respect local identity and differences, and remain interesting, welcoming places to spend time.

### **The role for communities**

The good news is that the policy focus has begun to change in recent years. The argument that retail will no longer be the dominant attraction on high streets is commonly accepted by policymakers as well as retail and property professionals. There is increasing momentum behind the idea that communities must play a meaningful part in shaping their local centres, and a growing alignment between private, public and social sectors.

The Grimsey Review advocated a radical shift in power to the local level for both local authorities and communities, adding a powerful senior industry voice. A Housing, Communities & Local Government select committee report in 2019 similarly articulated a vision of town centres thriving in 2030 “if they become activity-based community gathering places where retail is a smaller part of a wider range of uses and activities”.<sup>22</sup>

The Greater London Authority (GLA) has made “High Streets for All” a key mission for recovery from the pandemic, with the aim of “creating thriving, inclusive and resilient high streets and town centres, with culture, diverse shops, and jobs within walking distance of all Londoners”.<sup>23</sup> The mission recognises that there is a reciprocal relationship between strong communities and strong high streets:

To build strong communities we need to provide what people value and want through local assets, business and partnerships. We need more “people focused” businesses and services and we need to get locals more involved in the design and management of places.<sup>24</sup>

Funding has been made available via the “High Streets Challenge” to develop strategies that respond to this mission.

Alongside these efforts there have also been a proliferation of other reports calling for meaningful community involvement in shaping town centres and high streets.<sup>25,26</sup>

### **Holistic and strategic renewal**

This increasing momentum is feeding through to action. In 2019, the UK government commissioned the High Streets Task Force (HSTF) to provide practical support and guidance for local leaders, share data and resources, and coordinate a national approach to high streets. Comprised of a range of experts from the public, private and community sectors, the HSTF takes as a starting point that “multiple retailers will no longer be the dominant attraction in most town centres and so we have to redefine the high street”.<sup>27</sup> Measures include supporting a number of “pilot areas” with in-kind expert advice to reimagine their high streets; within London, Thornton Heath in Croydon is the only such pilot area.

The HSTF have developed a framework called the “4 Rs of renewal” for approaching the areas of strategic priority necessary to redefine the high street.<sup>28</sup> For each priority, we explain where we see a clear rationale for meaningful community involvement, and demonstrate how community can be the thread that ties each priority together.

**Table 1: High Streets Task Force's "4 Rs of renewal"**

HSTF strategic priorities	Community role
<p><b>Reinvent:</b> Activate and animate the town; diversify its attractions. Multifunctional places offer different things to draw in footfall and spend.</p>	<p>Understanding what activities local people need and want beyond retail will require deep and meaningful engagement to reveal priorities. Market research-style consumer profiles are designed with transactional consumption in mind – not to target the broader range of civic and community activities required to attract people. Similarly, some preferences (e.g. for greater location of health facilities on the high street) cannot be expressed through choice in the market. There is no substitute for a process of considered deliberation with communities.</p>
<p><b>Restructure:</b> Put in place the capacity, leadership, and partnerships to deliver change. Consider large-scale spatial change to transform your centre.</p>	<p>Developing partnerships that include all local stakeholders is only possible with the already embedded networks and relationships of community organisations. Successfully implementing large-scale spatial change also requires the rich understanding that only comes from meaningful engagement. For example, creating well-used green and public spaces requires detailed community input to understand how the full diversity of local people (across age, gender, income and ethnicities) use and experience the public realm.<sup>29</sup></p>
<p><b>Reposition:</b> Knowing your town and using relevant information to develop a collaborative, inspiring vision that achieves change.</p>	<p>Developing a collaborative vision that is built around the revealed preferences of local people requires engaging the full range of place stakeholders. By definition, this cannot be imposed from the top – it must involve input from the ground up. Communities are ideally situated to articulate and contribute to this vision, as they are the most expert on their local area and the most heavily invested in its success. Their expertise should be viewed alongside town centre data rather than placed against it, and community groups should be given access to the data other stakeholders are using.</p>
<p><b>Rebrand:</b> Establishing an identity and sense of place that can engender pride, commitment and attachment – and communicating this across the whole community.</p>	<p>Despite the big picture of a national concentration of retail ownership over the last 50 years, places still do have distinct identities. Communities are the custodians and makers of these. Places and their identities are made by the thickly woven threads of belonging, relationships, history and personal meaning which we all draw from (and create) in the settings where our lives happen. For an identity to be adopted, be meaningful, and have some longevity, it cannot be created from a distant boardroom and imposed on a blank slate. It has to be built on what is already there and already valued.</p>

### 3. Social and economic value



We have discussed how communities can support the high-level processes of change necessary for high street renewal. A holistic consideration of how different types of value work and interact across the high street suggests that in the future, community participation will become a prerequisite for creating, retaining and enhancing value – rather than being an additional “nice-to-have” or a tick-box to satisfy procedural requirements. This is an important point, as all too often initiatives to enhance social value are dismissed as being secondary to economic value, or even in conflict with it.

The relationship between social and economic value is frequently a tricky and contested one. If we consider individual commercial units in a town centre as discrete and isolated entities, then seeing the connections relies on the operation of individual traders. However, when you begin to consider that a whole place works as a complex relationship between multiple and overlapping systems, spaces and networks, an alignment between social and economic value becomes clearer still. Activities which generate social value in some parts of the whole generate economic value in others, and vice versa. Here it is important to see that community involvement can go beyond shaping the vision as users of the high street – it can also include putting that vision into effect as high street operators.

The following section discusses some of the ways in which these relationships work.

### **Footfall and attractors**

Footfall is a key metric for place managers, as it is a measure of how many potential customers are visiting your place. Making sure that the amenities and uses are in place to bring people to the high street is of fundamental importance in keeping commercial uses in a high street viable. In a very straightforward way, communities have a role to play here in articulating what is desired by local people, what the issues with the high street are, and hence what needs to change in order to attract people to the high street. These could be changes to the public realm or new and enhanced provision of public services such as libraries, education and healthcare.

In practice, maintaining a broad mix of different units that can support whole-place vitality means accepting a lower yield on some, as not all will be equally profitable. For some landlords – those who have the requisite scale of ownership to offset smaller gains on some units, and whose business model allows for longer-term planning – this is already an accepted proposition. For example, in Poole, Legal & General are providing 10 retail units to startup and independent businesses with no rent to be paid for two years.<sup>30</sup> The same approach could also be applied to non-retail uses, provided that they meet a community need or are informed by community preferences. Among industry bodies, the principle of retaining a critical mass of affordable units on the high street is now accepted as a necessary precondition of genuine multifunctionality.<sup>31</sup>

### **Livelihoods and the foundational economy**

The intelligence provided by communities doesn't only have a role to play in communicating preferences for new facilities that can generate footfall and support commercial viability. It can also reveal the value already in place. “Placemaking” and renewal does not occur in a vacuum, and it is important to not jeopardise the good which is already there in search of the better. Community groups can provide detailed insight into the benefits of existing businesses, typically small traders, who act as a link between residents and commerce. High streets and town centres with a broad variety of uses and operators can provide a density of employment and enterprise opportunities for local people, as well as the goods and services needed for a flourishing life. The example below demonstrates how community participation during the redevelopment of a shopping centre revealed the existing embedded value and assets within a locality, and helped to safeguard them.

### Case study: Social and economic value at Elephant and Castle: Latin Elephant<sup>32</sup>

**Latin Elephant** are a registered charity established to support the participation and inclusion of migrant and ethnic minority-led small businesses in urban regeneration at Elephant and Castle, Southwark.

The Elephant and Castle shopping centre and its immediate environs, comprising other commercial, civic and residential units, has been undergoing significant redevelopment for a number of years. The shopping centre, along with some clusters of other commercial uses in nearby railway arches and streets, is a centre of economic and social importance for the Latin American community in London. Latin Americans in London have been historically unrecognised as an ethnic minority in policy, not even counting as an ethnic group in official data. This is despite some significant challenges: data suggests Latin Americans are paid under the minimum wage at a rate 10 times higher than the rest of the population, and almost half earn less than the London Living Wage. The cluster of small Latin-owned (and other migrant and ethnic minority) businesses in Elephant and Castle represent a key site of employment and enterprise opportunities for communities otherwise marginalised in the labour market, as well as providing specialist goods and services for the wider community. 85 per cent of Latin Americans in London visit specialist shopping areas such as Elephant and Castle.

↓ Traders at a migrant and ethnic business readiness workshop in partnership with Bridging to the Future, 2017



↑ Supporters of Latin Elephant, a charity which supports the participation and inclusion of migrant and ethnic minority-led small businesses in urban regeneration at Elephant and Castle.

Recognising that the initial proposals to redevelop the area represented a threat to this resource, Latin Elephant began a process of participatory research with traders in order to safeguard affordable units for local small businesses. The aim was to make visible and amplify the social and economic value already present in Elephant and Castle. Rather than advocating on behalf of the traders, the organisation used a facilitatory approach to encourage small businesses to join in discussions themselves, after a process of relationship building had been carried out. Latin Elephant also partnered with other local organisations and universities to deliver collaborative workshops, aimed at helping traders advocate more fully for their interests throughout the planning process.

Developing a solid base of empirical evidence was crucial. Detailed mapping of local employment, supply chains and agglomeration benefits of existing clusters provided quantitative evidence hitherto unavailable. Mapping floorspace and sub-divisions of units showed how creative use of space allowed for a rich diversity of affordable tenures, as well as access to space for groups who otherwise find it hard to access credit. Qualitative research also revealed the relationships between traders and local residents, providing support and help far beyond the buying and selling of goods.

The shopping centre has since been redeveloped, but the evidence provided by Latin Elephant secured some significant planning gains for local businesses. These included the relocation of traders who would otherwise have lost their livelihoods; an increase in the total amount of affordable floorspace in the new development; longer-term guarantees of affordable rent; and temporary provision of retail space during redevelopment.

## The social economy

The Latin Elephant example underlines the fact that there are often relationships between small, locally rooted businesses and communities which have built up organically over time and go beyond the purely transactional. These community benefits can also be intentional: some businesses are designed with a commitment to place and a social purpose in mind. Community businesses are defined by Power to Change as being:

- **Locally rooted.** They are rooted in a particular geographical place and respond to its needs.
- **Trading for the benefit of the local community.** They are businesses. Their income comes from activities like renting out space in their buildings, trading as cafés, selling produce that they grow, or generating energy.
- **Accountable to the local community.** They are accountable to local people – for example through a community shares offer that creates members who have a voice in the business’s direction.
- **Broad community impact.** They engage with a variety of different groups and deliver impact against a range of different community needs.

While not all community businesses are located on the high street, those that are provide a clear example of how social and economic value can be mutually reinforcing. Research has demonstrated how these kinds of businesses support a range of benefits, such as consciously attracting a wider variety of people to the high street, providing responsible stewardship of local heritage assets, and bolstering local supply chains and multiplier effects.<sup>33</sup> For every £1 spent in a community business, 56p stays in the local economy, in comparison to 40p for large private sector firms.<sup>34</sup> Community businesses can also supply important and responsive social infrastructure by providing wellbeing services, children’s activities, or simply a convivial place to meet.

### Case study: Community business restoring the high street: Nudge Community Builders

[Nudge Community Builders](#) is a community benefit society in Stonehouse, Plymouth, set up by local people who had been active volunteers in their community for many years. Union Street is the main thoroughfare in this neighbourhood: in the past it was a regionally famous centre for nightlife, with much trade supported by the naval base nearby. However, the high street had suffered decline over a number of years as industry moved away, with several grand buildings falling derelict.

The organisation grew out of a project to bring a disused shop on the street back into use, which was successful with backing from a crowdfunding campaign. The regeneration of this empty shop – now in use as a multipurpose community space – created momentum and a desire on the part of local people to see more vacant buildings brought back into use.

Nudge has since gone on to acquire more properties. It purchased a disused pub, converting the top floor into homes and the ground floor into a new shop. Following this, Nudge purchased a derelict building which has since been turned into an “alternative shopping arcade” – providing incubator spaces for new Black and ethnic minority-led small businesses as well as permanent space for other local social enterprises and charities. Recently, Nudge has even acquired a former cinema and nightclub building with the intention of running it to support a mix of commercial and temporary uses. Plot by plot, they are bringing the high street back to life.

As a community business, Nudge operates its buildings to generate revenue, but with the explicit intention of steering regeneration for the lasting benefit of local people. Nudge has acquired its properties in each case through different mixes of finance – grant funding, community shares and private investment have all played a part. It is a demonstration of how, with the right initial support, community business can become a self-sustaining catalyst for inclusive regeneration, restoration of the high street, and vibrant local economies.

This chapter has demonstrated the range of economic and social value generated when communities have meaningful involvement in their high streets and town centres. Realising this potential at scale will require coordinated action from those currently responsible for managing and regulating our high streets. It will also require mechanisms for communities to be involved in shaping that action. The next chapter discusses some of the suggested models that could enable communities to have a say.

# 4. Governance of the high street



Our discussion of the diverse uses and functions of the high street illustrates how complex a place it is. The range of agencies, stakeholders and organisations responsible for managing and regulating the high street mirrors this complexity, with overlapping and connected groups responsible for different elements.

To make sense of this complexity, the following framework<sup>35</sup> categorises the different realms of concern as:

- **Physical fabric** – the container of activity, often historic in origin and sensitive to change.
- **Places of exchange** – of social, cultural, political and economic interaction.
- **Movement corridors** – channels of linkage and communication through the city.
- **Real estate** – diverse uses and investments in multiple and fragmented ownerships.

Of course, all of these elements are interconnected and impact on each other. But frequently, professional and disciplinary silos lead to a narrow focus and responsibility. There is often no one body that can oversee and coordinate all the actions and functions necessary to a successful place. For example, transport planners may focus on traffic flow, parking and walkability. Commercial landlords may focus on income streams or the capital values of their properties. Planners may focus on land use and frontages. Traders' associations might focus principally on their profitability.

Even where local authorities may be considered to have strategic oversight, internal uncoordinated working is a perennial problem. Councils do not necessarily operate as one: different departments can respond to their own professional briefs.

Similarly, high streets and town centres do not always map neatly onto administrative boundaries, with several in London falling over multiple boroughs.

Importantly, the institutional focus on the high street as a place for retail has led to neglect of the “exchange” function of high streets as places for social and community use. Even where other functions are better catered for by local management, this area is typically overlooked.

### **Town centre management and Business Improvement Districts**

Across the country, there are some dedicated bodies and organisations that take a broader view of high streets and town centres. The professional discipline of town centre management – alternatively called place management – exists to coordinate different stakeholders in a town centre with their range of interests and perspectives. They aim to form a collective vision for how the high street should be operated and managed. The structure of the bodies responsible for town centre management varies widely. A Housing, Communities & Local Government select committee session on reimagining the high street heard from the industry umbrella organisation that:

They can sit within local authorities under some formal town centre management scheme or economic development planning. They can be independent of the council in town centre partnerships. They can be Business Improvement Districts, so they are led by the local business community, funded by the local business community. There are community interest companies and development trusts. There are lots of different forms across the country.<sup>36</sup>

Their common defining feature is a partnership between the different stakeholders and interests in an area.<sup>37</sup>

Not everywhere has town centre management bodies in place, however. Even where in the past the local authority may have assumed responsibility, cuts in funding since 2010 have resulted in local authorities focusing resources and capacity on delivering statutory services such as social care – with strategic placemaking and management losing out.

As a result, only 10 per cent of London's town centres have a town centre strategy in place. Clearly, formal planning policy responds to many aspects of the town centre – but as discussed, local development plans are not broad enough to cover all aspects of how high streets function. Similarly, the time they take to develop and approve means that they aren't dynamic enough to respond to changing facts on the ground.

One particularly successful type of place management body is the Business Improvement District (BID) mentioned above. BIDs arose in response to the need for more holistic place management, and since their introduction in 2004 in the UK, they have expanded steadily. In London, they have taken off particularly quickly, doubling in number between 2011 and 2016 – although growth has slowed in recent years. At last count there were 69 BIDs in London,<sup>38</sup> making up around 20 per cent of the total number in the country. BIDs differ from other place partnerships in that they have the ability to charge an additional precept (known as the levy) on top of the business rates that occupiers of non-domestic properties pay.

Establishing a BID requires a ballot of all the properties which come under the defined geographic footprint of the proposed BID. If the property occupiers vote for the ballot, they pay a defined proportion of the rateable value of their properties (typically around 1.5 per cent): this provides a guaranteed source of income for the next five years until the ballot is repeated. The income then allows the BID to invest in the area, with improvements targeted at enhancing the operating environment for business occupiers.

Reflecting the wider diversity of town centre management arrangements, there is a broad range of type, ethos, scale and practice where BIDs are concerned. The vast majority are town centre-focused, but there are also smaller numbers of specific sector-focused BIDs, reflecting the flexibility of the enabling legislation. In London we have seen BIDs assuming a greater strategic role in placemaking, using their coordinating power to lever in additional sources of funding and catalyse significant regeneration projects.<sup>39</sup>

The growth of BIDs across the country – and their ability to raise a revenue and become self-sustaining – has led to proposals that use a similar model to encourage greater community participation in local decision making. Thus, Business Improvement Districts become “Community Improvement Districts”.

The following section explores what Community Improvement Districts are and how they might work, with reference to other efforts at formally involving communities in place-based decision-making processes.

### **Community Improvement Districts and community governance**

The initial idea for Community Improvement Districts came in 2011 from an analysis showing that previous attempts at formally devolving power to local communities had not been a success. The introduction of legislation to enable a new generation of urban parish councils resulted in only one being successfully established in London. These were relatively procedurally burdensome, and this was a barrier to communities getting involved.<sup>40</sup> Similarly, their “all-purpose” nature could be limiting. People need a reason to get involved in local democracy and activity, which takes time and energy. Typically, that hinges on a defined issue of local importance.

Where there is public appetite to engage in local activity around particular issues – such as safeguarding a valued community asset, or

becoming directly involved in community-led planning – this has regularly been expressed through some of the “Community Rights” of the Localism Act. Community Rights were intended to create a new era of community power, allowing communities a say in local service provision, spatial planning, and the operation of their local property market. However, these powers were not backed up with sufficient resources to make them meaningful, which has limited their potential.<sup>41</sup> For example, there have been few community purchases of buildings under the Assets of Community Value regime, as cash-strapped organisations are expected to pay market prices for property – although the Ivy House pub in Nunhead, London provides an example that is much valued by the local community.<sup>42</sup> Similarly, limited revenue funding for Neighbourhood Planning has held back what is a time-consuming process requiring technical expertise.

Another important barrier has been the reluctance of some formal institutions to share power with community groups. There can be a tendency for public authorities to be suspicious of community activity that responds to a different logic than formal representative democratic structures. Community groups can consider their legitimacy to arise from their embeddedness in a place, their connection with an issue, or their common vision – rather than from a particular governance structure. This can make for an awkward fit with the cultures of public service provision. Even where there is a statutory duty for local authorities to support initiatives that require a formal structure, like Neighbourhood Forums, there is evidence of reticence and sometimes even obstruction.<sup>43</sup>

The CID model was initially suggested as a remedy to these issues. Its institutional design would be similar to a Business Improvement District in that it would be:

- Established through a local ballot, with renewal every five years.
- Operating within a defined geographic area.
- Able to raise a levy on council taxpayers.
- Focused on specific issues, agreed at the time of establishment, with expenditure limited to these issues.

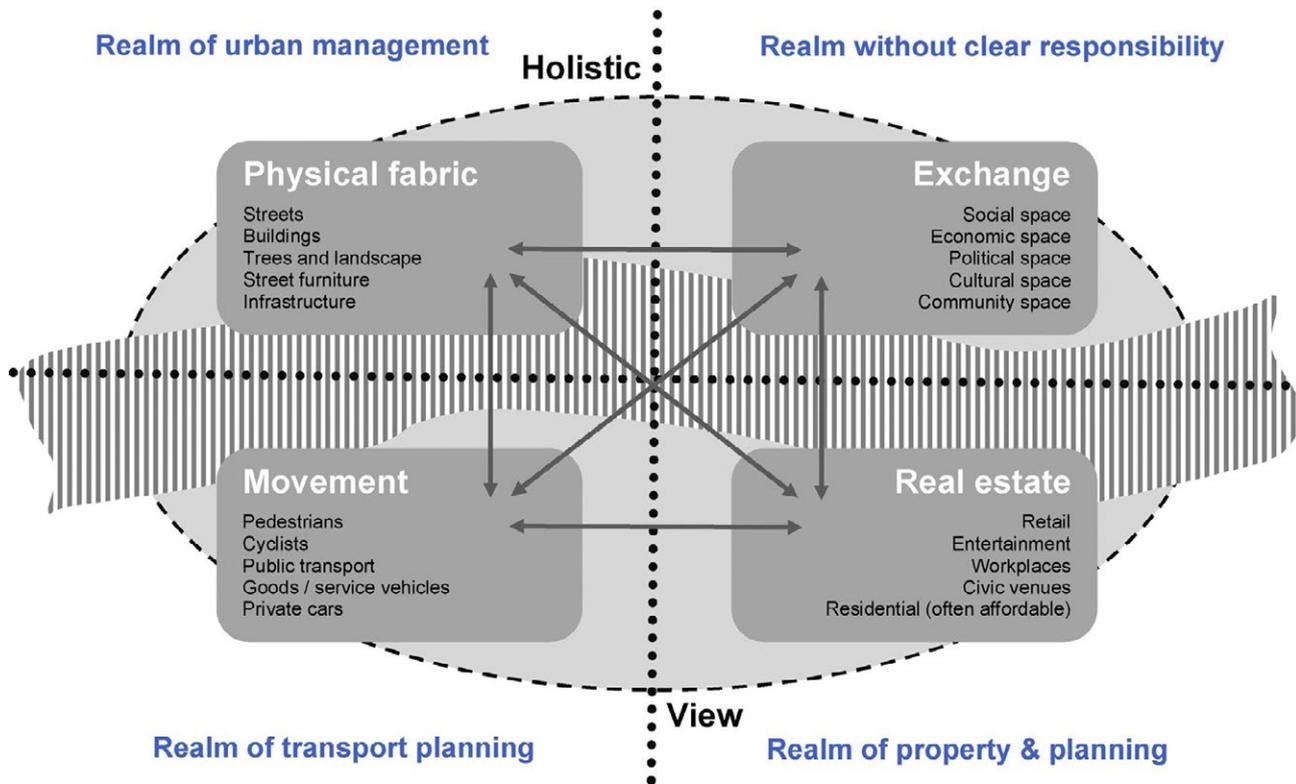
The thinking was that, as BIDs have been relatively well received by both local authorities and national government, this mechanism could provide a boost for community power where other governance-led initiatives had struggled. The original idea of a Community Improvement District was not explicitly focused on town centres and high streets,<sup>44</sup> and some recent calls restating the case for them have left the question of where they are best applied open.

However, as the high street has become an area of increasing policy concern, and the natural alignment and growing interest in greater community involvement has crystallised, much of the current debate on CIDs involves their applicability in this context. In 2019, the Housing, Communities & Local Government select committee suggested that BIDs should be replaced by Community Improvement Districts.<sup>45</sup> Other suggested names have included “Neighbourhood Improvement Districts” and “Place Improvement Districts”.

### **CIDs, BIDs and others**

The case for some kind of mechanism which allows communities a seat at the table is strong. The framework for understanding the functions and responsibilities of the high street suggests that a clearly responsible body or institution is missing.

Figure 5: Analytical framework



Source: Carmona, M. (2015). London's local high streets: The problems, potential and complexities of mixed street corridors. *Progress in Planning*, 100, 1-84. Retrieved from: <https://www.sciencedirect.com/science/article/pii/S0305900614000439>

We could conceptualise this “missing link” as the space which a CID should respond to. Recognising that BIDs are not necessarily responding to this explicit community and social focus does not undermine their successes in achieving better whole-place management. It is simply a recognition that such a focus was not the intentional purpose of their design.

However, that is not to say that BIDs could not fulfil this function if the right conditions were in place. While many are currently distant from communities, some BIDs are already working in a more community-oriented way. Camden Town Unlimited operates the Camden Collective, a project which provides free workspace in previously vacant buildings to local startups in Camden. Camden Town Unlimited also help deliver the Camden Future Changemakers fund, which sees local 16- to 25-year-olds decide on priorities and allocations for local grants. Similarly, in Victoria, the BID provides important resources for the local Neighbourhood Forum by carrying out their administrative functions on their behalf.

In Scotland, the UK's first official Community Improvement District, using the BID model, is in the process of being launched. This demonstrates how the BID model can be turned towards community development in the right circumstances.

### **Case study: Possilpark: A pioneering Community Improvement District**

Possilpark in Glasgow is the UK's first Community Improvement District, an emerging project which demonstrates both the adaptability of the BID model and the relationships between local economic growth and community development.

Possilpark is an area which has suffered from decline since the closure of the largest employer in the area, the Saracen Foundry – after which the high street, Saracen Street, was named. Facing a number of social and economic challenges, the impetus for the establishment of the Improvement District came from a small group of local traders who wanted to do something that would help solve the problems in the area.

Prior to the pandemic, a plan for establishing the Improvement District was agreed which set out priorities for “Remaking Saracen” around a range of business and community initiatives. The BID is atypical in that it comprises traders as well as local “anchor institutions” – non-profits which are rooted and have a long-term interest in the place as well as a sizeable impact on the local economy. From the outset, it had a purpose that was broader than just local commercial viability. The process of agreeing the boundaries of the BID – and getting local partners together to agree a strategic vision for the area – required learning and sharing of perspectives. For example, one of the BID members was the largest social landlord in the area, and had long been involved in supporting the local community beyond housing provision – but hadn't considered the high street as an area of concern until that point. Similarly, voluntary sector groups that sat within the footprint and focused on “frontline” service provision had not been involved in local economic development previously.

The variance in approaches of BIDs suggests that a range of factors can influence how community-oriented they are, and how well they work as a partnership. The governance model is not determinative in and of itself. In an interview with a BID operator in inner London, the point was reiterated:

*“The profile of BID leaders is all-important. Having a successful partnership means you need the right person.”*

A separate interview with a BID operator in the East of England, involved in a multi-stakeholder partnership for their town, made a similar case for the structure not being determinative of success:

*“The BID model is a part of the answer, but it's not the solution. You don't often need the architecture of governance of BIDs to bring people together – there are informal ways to do it.”*

The debate around the precise form of a CID has been renewed recently. In October 2020, a discussion paper from Power to Change<sup>46</sup> outlined the following potential suite of options for the design of a CID.

**Table 2: Suite of options for the design of a Community Improvement District (CID)**

HSTF strategic priorities	Rationale	Powers and activity	Constitution and structure	Benefits	Disadvantages
<b>The CID as a resident-led organisation</b>	Model which provides resident communities with powers to establish a neighbourhood group which involves council and business stakeholders only as necessary – close to original CID idea.	Similarly to BIDs, CIDs in this guise would have legal duties instead of powers. No restriction on specific activity, but must operate in a transparent and accountable way.	New structure would be designed from scratch. Could aim to be as horizontal as possible, providing an alternative to hierarchical local politics.	Provides residents with a direct voice of their own. Encourages greater local participation. Depending on the mechanism, it could raise funds directly via council tax precept.	Has to interact with existing local governance mechanisms – BIDs, parish councils, neighbourhood forums, local authorities. No guarantee of partnership working.
<b>Community involvement in existing BIDs</b>	More appropriate where aim is to align residents with management and strategic planning for town centres.	Could focus on areas of already agreed alignment between business and residents, e.g. high street renewal, crime and antisocial behaviour reduction.	Need to balance the voice of residents and business in a sensitive way. Difficult to achieve where financial contributions may differ.	Greater resident participation in high street vision and operation. Recognises alignment between business and resident interests.	Designing a levy mechanism which could be applied to residents and community groups is difficult to do equitably.
<b>Jointly run organisations involving both residents and businesses</b>	Model which has equal standing for residents and businesses could be appropriate for places with no pre-existing local group at neighbourhood level.	Established along BID lines – similar as having duties instead of powers. No restriction on specific activity, but must operate in a transparent and accountable way.	Would need agreed-upon principles when established. Would need to take decisions on the basis of the benefit to the whole system, rather than separate interests.	Opportunity to explicitly align resident and business interests. Could benefit smaller places that couldn't run viably as BIDs, by levering in extra finance from residents.	No guarantee of agreement between residents and businesses, despite structure. Could become a parallel structure to ward level political structures, and in conflict with them.
<b>Expansion of Neighbourhood Forum functions</b>	Already-existing networks and groups active in hyper-local governance and spatial planning.	Activities carried out for the purposes of writing a neighbourhood plan already involve thinking about long priorities for neighbourhood. However, forums' activities are typically related to formal planning matters.	Constitutional arrangements for Neighbourhood Forums are well established, and guidance is available from a range of sources.	Involves only those volunteering to take part, rather than all those who fall within a BID-style footprint. Has an existing financing mechanism via Community Infrastructure Levy.	No guarantee of agreement between resident and business interests. Town Centre holistic management requires a broader focus than just planning matters.
<b>Formal funding for Town Teams and other place partnerships</b>	Non-political, non-governmental groups inclusive of multiple stakeholders and usually focused on high street development.	Town Teams at present have no formal duties or powers, but can focus on single issues or broader strategic visions for high streets and town centres.	As multi-stakeholder bodies, representation should reflect the demographic, residential and commercial makeup of the area.	Pre-existing concept, tried and tested process with demonstrable impact.	No currently identified source of funding.

Table 2 shows how each option has relative strengths and weaknesses. For town centre stakeholders who are keen to enable greater community involvement, the question of which is the “best” model can seem to be the most important one.

The attraction of a BID-style model – whether it comprises residents and businesses combined, or residents alone – is the ability to charge a levy in order to raise funds for community improvements. Community involvement in town centres costs money – both to pay for the engagement itself, including convening time and meeting space, and to pay for some of the changes that people want to see to their high streets.

The Possilpark example shows that with a collective vision in place, the BID model can work to generate revenue from a broader range of sources than commonly appreciated, although it has to do this through persuasion rather than requirement. While the revenue generated from traders alone is relatively small, the other anchor institutions within the footprint contribute enough to create a meaningful economic lever collectively. Having different organisations involved that are each eligible to apply for alternative sources of grant funding has added additional value and the ability to raise more money.

However, it is important to note that this is a voluntary arrangement. The BID model in this instance has been used as a way of bringing partners together around a shared interest in the locality, but due to delays brought about by the pandemic the Possilpark arrangement has not yet been formalised under legislation. Similarly, local community groups are included in the BID, but not residents themselves directly.

The argument made in favour of a CID model that could levy a charge on residents directly, with residents voting on whether they wanted to accept such a levy, is that it would address some of the issues with council tax. Council tax has long been held up as an example of a badly designed and outdated system. Tax bands are levied on occupiers of residential property, linked to property valuations from 1993 despite wholesale change to the property market since then. However, if a CID model based on levying residents was to work with current council tax infrastructure, a levy would need to be based on property occupancy – everyone who lived in a terrace of identical houses would pay an identical amount. This system is known to be deeply regressive.<sup>47</sup> Lower-income residents, who may have the most to gain from town centre improvements, would be the least able to pay. This leads to a risk that wealthier areas raise more money from residents and are thus able to create more attractive high street experiences, drawing footfall away from high streets where nearby residents are poorer.

We should not rule out levies for CIDs, as they could work in some places. But they can never be the full solution – and requiring them to be so risks making inequality worse. Grant funding from trusts and foundations – together with investment from national, regional and local government, allocated most to the places which need it most – will continue to be an essential ingredient for community involvement in town centres over the short to medium term. Adding an additional layer onto a system which already needs root-and-branch reform risks being a sub-optimal “patch”, rather than a fix, and could even create worse outcomes.

Looking at these arguments together, we argue that caution is needed when considering the best way forward. The fact that disagreement (or lack of consensus between different interests) is a recurring theme indicates that good institutional design can’t solve everything. In the long run, the processes and principles of community involvement in high street renewal may be more important than the structure used as the starting point. The next chapter discusses why this is so.



In this chapter, we look beyond governance structures to examine other crucial conditions that must be satisfied if community engagement is to be successful. Research suggests that factors other than governance can be more important in enabling meaningful input into town centres and high streets. Place managers understand well that one size does not fit all in thinking about place partnerships. Respecting the distinct makeup of each place means understanding that unique factors on the ground will result in each partnership looking slightly different.

Creating a mechanism for community influence is no different.

***Each place will have its own unique dynamics, and imposing a model which doesn't arise organically runs the risk of failure.***

This is genuine localism, and a natural point of alignment between the place management and community sectors.

In addition, there has to be an end goal. This report has discussed the need for strategic and holistic renewal of high streets and town centres as they change into multifunctional spaces of community activity. Without a consensus among all the key stakeholders in a place that this is indeed the desired outcome, any mechanism may run into trouble. We argue that the process of achieving this shared vision is a necessary prerequisite for genuine community involvement, and just as important as deciding which mechanism to adopt.

Similarly, while there is an increasing focus on involving communities in high streets and town centres specifically, the practice of community engagement and community development is not new. Marrying the worlds of place management, local economic development and regeneration with community involvement means paying attention to the particular areas that successful and inclusive partnerships rely on. The following section discusses what some of these are.

**The spectrum of participation**

In the first instance, it is important to appreciate that the extent and degree of participation may vary. “Community engagement” is a broad phrase which most agree to be a good thing in principle – but how it is given effect can vary dramatically in practice. In the words of one experienced community practitioner that we spoke to:

*“Turning the dial up on community voice means going from hearing better, to giving communities the right to do things.”*

There are a number of frameworks which can help make sense of how community engagement varies. Table 3 is adapted from the International Association for Public Participation’s “Spectrum of Participation”,<sup>48</sup> and is a useful heuristic for understanding the different degrees of influence.

**Table 3: Types of participation**

Lower to higher degrees of participation					
	Inform	Consult	Involve	Collaborate	Empower
Objective	To provide the public with balanced and objective information to assist them in understanding the problems, alternatives and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public issues and concerns are consistently understood and considered.	To partner with the public in each aspect of the decision, including the development of alternatives and the identification of the preferred solution.	To place final decision-making power in the hands of the public.

The framework is designed intentionally to be applicable to a broad range of scenarios and projects. When applied to a high street setting, the different levels of participation will have different practical implications.

When embarking on a process of change as significant as reshaping our high streets, there will be opportunities for different levels of engagement at different points and across different processes. At a minimum, the aspiration should be to “Involve” and “Collaborate”.

For example, when establishing what the appropriate mix of functions and uses of a high street should be, “Consulting” would mean receiving feedback from communities on an already-decided vision and mix of uses. “Collaborating”, however, would mean working with the community to decide together what those uses should be.

Having established a target for participation that goes beyond providing information or consulting, there are certain principles which should be observed during the process. The following section discusses these.

### Building on what's already there

High street renewal happens in already-existing places, and reaching a broad cross-section of the community will require the support of those already engaged in this work. The type and extent of community activity in a place will vary. But it is crucial to understand what that is before embarking on a process of engagement.

Starting from scratch and not tapping into the community networks and organisations already active in a place means your engagement is likely to be shallower. Good existing work could be missed. Research has shown that community activity and engagement often become more embedded over time, where they strengthen and deepen existing local capacity and assets.<sup>49</sup> Start with what is already there. For example, where there exists a Neighbourhood Forum that has already worked on the functioning of their local high street, it is logical to involve them first. The same would apply to charities or other local groups that have a long-standing interest and investment in a place.

This is particularly important in communities where there may be either a mistrust of institutions or significant distance from them. However they are incorporated, already-active organisations are a vital channel for reaching all parts of communities. The term “hard-to-reach” is sometimes used by public bodies and the voluntary sector, but it is important to consider that sometimes institutional design and practices actually make these institutions “hard-to-approach”. Meeting communities where they already are, and around the things they are already good at, is one way to respond to this.

Tapping into already-existing activity similarly avoids the risk of “engagement fatigue”. Having multiple overlapping engagement

opportunities can be confusing and tiring for individuals and groups looking at a process from the outside.

In an interview, one local authority officer running a community engagement process for a high street strategy expressed frustration that they had not been able to use an already-existing local authority engagement mechanism in the same neighbourhood.

"Other processes were happening on some similar themes. It was confusing for the residents and overlapped with this other work. Some of them started to disengage after a while, as from their perspective, they had already spoken to the council, and couldn't understand why they were being asked to speak to someone else!"

### **Relationships, brokerage, and leadership**

The connections that community groups bring to the wider community demonstrate that much work at the community level is relational. When people come together to organise around a common cause, they typically interact with each other in an informal, non-hierarchical way. This is a qualitatively different logic to the way that people in formal institutions relate to each other – through job titles and roles, contracts, memorandums of understanding, service level agreements and other such structures.

Integrating these different ways of working and thinking is a challenge, and the difficulty of this should be grasped and accepted. One common point of contention can be where community voices are deemed "unrepresentative". An important distinction needs to be made here between community organisations and organisers who play a convening role, and those who claim they can decide on behalf of other people.

Being a point of contact with the wider community who can bring other people along is something to be supported. Research exploring a community-led masterplan in Newham demonstrated that one of the most important factors in achieving an extremely extensive level of engagement – far beyond the typical consultation process – was the role of the community organisers.<sup>50</sup> As local people with a direct stake in the neighbourhood and its institutions, they were able to convince neighbours to spend time and energy investing in a lengthy process, and were highly successful as a result. If those organisers had been dismissed as unrepresentative or unelected, it would have been a very different story.

An interview with one operator of a multifunctional events space and incubator for micro-businesses in Waltham Forest shed some light on the process:

"I'm a trained architect so I can speak the language of the council and investors. I know what they need to hear. But I have also been living in the area for a long time. I live above the shop. I know all of the traders on this parade well, and understand the real local dynamics of how they all relate to each other, and the tensions there. Being able to go between these worlds means I can broker relationships."

### **Case study: Co-Place Nottingham: Community organising in tandem with the council**

The benefits of adopting a community organising ethos as a way to bring community voices into strategic discussion are demonstrated by the example of Co-Place Nottingham – a partnership between Nottingham City Council, Community Organisers and Sneinton Alchemy, a local community interest company (CIC). Co-Place demonstrated what good community engagement can look like in its development of the “Design Quality Framework” – a series of guides to support the planning process by giving applicants and designers information and certainty at an early stage.

Building on community organising principles rather than formal “consultation” processes, the engagement was designed to be as neutral, open and convivial as possible. The project was initiated by the council, but realising that it needed a route into broader community networks, it brought in a local CIC with professional community organisers as an equal partner. The “base” for the engagement was provided through an “Urban Room”, a space funded by Historic England as part of the Heritage Action Zones funding programme for historic high street renewal.



© Co-Place Nottingham

However, having a physical space was not enough in itself. Mindful of the need to respond to the trust and power imbalances between the community and institutions, the space and process were designed to equalise as much as possible. All branding and imagery for the space was different from that of the council. Engagement sessions took the form of open-ended conversations around particular issues, using an image-led approach and steering away from professional jargon. A “social eating” approach was adopted whereby participants from all sectors would eat meals together – fostering an egalitarian and convivial atmosphere, developing personal relationships, and breaking down barriers.

The departure from traditional ways of working also extended to the governance of the board set up to manage the process. The board comprised members of each partner organisation: some were formal institutions while others were community groups or informal organisations. Each member of the board had one vote, and decisions were passed by majority vote. This meant that in practice, members of community organisations had as much power as members of much more powerful institutions.

As board members represented their respective institutions, some were not able to become official directors of a CIC due to legal barriers, meaning the Urban Room partnership could exist only as an informal collective. This created some challenges, as it meant partner organisations could not fund the board in larger amounts. However, the deeper and broader relationships that developed with other local community partners meant that the board was able to leverage more “in-kind” support to continue the engagement – as well as achieving more meaningful community input into the process.

The ability to mediate between the different interests and ways of working in a town centre is crucial for meaningful community involvement. Successful place managers understand the value and importance of local leadership in their professional domain. The Grimsey Review also specifically highlighted the value of local leadership in successful place partnerships. The point applies just as much to those coming from a community perspective: individuals, relationships and leadership are important, and should be supported.

### **Skills, responsibilities, and consensus building**

The previous sections demonstrated the role of individuals as key connectors and brokers between communities and other stakeholders in town centres. However, the ability to successfully integrate community-based activity with the world of place management is not only dependent on individuals who can relate to stakeholders across two different registers. It also requires an ability to navigate the tensions that come with this.

While we have argued that there is an alignment of interests among communities and other stakeholders in the town centre, in practice not everyone will see it that way at the outset. A recurring theme during our research was of interviewees suggesting that other stakeholders “didn’t get it”. Different interests were seen as too partial and narrow. There were some quite different interpretations of what good place outcomes would look like.

“The biggest challenge is the difference in attitude between residents and businesses”.

#### **BID manager**

One of the key tasks for truly holistic place management that involves communities is to get agreement in the first instance on what a holistic vision means. The process of engagement, bridging divides, understanding divergent perspectives and finding the points of alignment is all-important. A catalyst is needed for this work to begin, as well as a way for people to get around the table and an outcome in sight at the end of it. Without an active process of consensus building and envisioning, a governance vehicle which officially involves communities may not work. This is also crucial when we call to mind the end goal. Implementing high street renewal will require heavy lifting and deployment of capital at scale, whether through private or public sector partners. Giving communities the right to have a say does not mean they will have the necessary legislative or financial muscle to make it happen alone – so aligned partnership working is vital.

In some cases, this may not be easy. However, where there is a “coalition of the willing” in principle, creating tangible outcomes and a vision will require the right approach and skills to manage the process effectively. This means good interpersonal and conflict resolution skills; not taking offence; understanding people’s positions; and being able to communicate information appropriately to the circumstances and audience.

It also means choosing someone to lead the work who has the influence and authority to make things happen across different professional realms. For example, a dedicated local authority Town Centre Manager without sufficient seniority or profile will likely struggle to effect strategic change, and may be limited to responding to operational issues only.

The function does not have to be filled specifically by a Town Centre Manager. It could also be a regeneration officer, an economic development professional, or someone from another discipline concerned with place. Whoever it is, it is also important that there is a single point of contact and reference. For communities attempting to understand and penetrate a complex layering of multiple responsibilities, it is important to have contact with a single person or team that is identifiably responsible.

**Revenue**

Well-run community engagement costs money: however, it needn't cost the earth. We heard many examples of community groups stitching together small pots of funding to carry out impressive engagement work. Activities funded included simple back-office admin tasks, information collecting, and hiring part-time staff as community organisers. Sometimes it even included paying people to attend engagement processes as a way to incentivise turnout for typically under-represented groups. Making sure that there is sufficient revenue to fund these kinds of activities is important.

# 6. Structural factors: Property ownership and finance



Making community influence on the high street a reality will involve a number of challenges beyond designing the appropriate arrangements for partnership working. This report does not present solutions for all of these issues, but rather notes where policy changes will be required and makes suggestions for advance consideration.

### Property ownership

The questions of who owns the high street and how they run it are central. The ability to take a “whole place” view of a town centre or high street and retain a critical mass of affordable units is highly dependent on the nature of ownership in a place.

Where there is consolidated ownership, landlords can afford to take a lower yield on particular activities in some premises, as these activities will keep people coming to the high street and therefore sustain the value of other more lucrative uses. This could result in a slightly counter-intuitive situation where single ownership allows for a greater diversity of community uses within a town centre. However, fragmented ownership in our high streets is more typical. A focus by individual owners on individual units as self-contained sources of income can be a barrier to seeing how value across the whole place works.

Without taking a broader view of local vitality, the risk is that landlords are less concerned with being responsible stewards and more concerned with avoiding vacancies. Table 4 shows the correlation between different patterns of ownership and vacancy rates.

**Table 4: Ownership and vacancy rates**

Ownership of selected London high streets by investor type <sup>51</sup>	Percentage of total	All vacant units (in study) by ownership	Percentage of each owner-type's portfolio that is vacant
UK Real Estate Trusts & property companies	17.1%	31.8%	13.7%
Overseas investor(s)	2.6%	0.7%	1.9%
Public sector	5.0%	1.7%	2.5%
Traditional estates, church & charity organisations	2.9%	3.7%	9.6%
Institutions (insurance, banking, and pension funds)	4.9%	6.1%	9.2%
Private individual(s)	5.8%	5.4%	6.9%
Investment management schemes	5.8%	6.8%	9.3%
Retail & leisure occupiers	19.0%	22.0%	8.5%
Other	12.1%	22.0%	13.4%

Source: Estates Gazette research carried out for Centre for London, based on an aggregated analysis of vacancy rates and ownership across 15 high streets and town centres in London.

### **Case study: Public intervention in town centre property for community benefit: Islington Council**

Responding to the inequalities in the local economy has been a priority for Islington. Islington has one of the highest pay inequalities in London, and almost double the average child poverty rate in the city. Adopting a “community wealth building” approach has meant a focus on local wealth retention as well as the provision of good jobs and working conditions for local people. The approach involves targeted intervention in the local economy to achieve these goals.

Fonthill Road in Finsbury Park is a high street with a long-established specialism in fashion, garment production and accessories, historically attracting shoppers from across London. Islington Council had identified that there were a significant number of residents in the area running small and micro-enterprises in sectors such as fashion. However, in discussions with the local traders’ association, traders had raised concerns about their long-term viability. Even prior to the pandemic, the council had recognised that providing affordable workspace and retail units would be key in sustaining this unique small business cluster.

With support from the GLA, the council purchased long leases on a number of units on Fonthill Road. One of the units has become a retail space operated by fashion enterprise Fashion Enter: it provides a space for local people to sell their work and get established in the garment industry, tapping into an established local cluster. In lieu of rent, Fashion Enter provides business mentoring and training for local people, according to social value criteria agreed with the council. 15 female designer-maker entrepreneurs have taken space in the shop, and a group of local women have completed accredited training with the local college. They put their new skills to good use during the pandemic by making face coverings for vulnerable members of the community.

Islington Council is also developing further affordable workspace nearby with the aim of developing a sustainable business ecosystem that has social value at its heart. Garages on an estate a few streets away are being converted into workspaces to train under-represented groups in the skills and trades needed in the fashion industry.

The council hopes to use its intervention in property not only to provide direct employment and skills benefits to local people, but also to provide a benchmark of best practice for other local businesses in the town centre – raising standards in terms of sustainability, pay and ethics.

The data shows how, across a sample of London high streets and town centres outside the Central Activities Zone, different types of ownership give rise to quite different vacancy rates. Real Estate Investment Trusts and property companies have a significantly higher vacancy rate as a proportion of their portfolios compared to other types of owners. Institutional landlords such as pension funds have a lower vacancy rate, perhaps related to their desire for long-term, consistent returns. Public sector landlords have one of the lowest vacancy rates proportionally.

Some public interventions on land acquisition have gone beyond smaller units and instead seek to change a whole place. In recent years, the topic of commercial property acquisitions by local authorities has been contentious. Here it is important to draw a distinction between property acquired in order to plug revenue gaps, and land acquired for strategic placemaking purposes. Recent data show that almost 20 per cent of shopping centre space bought by local authorities in the last three years will be turned over to community use or demolished for alternative uses.<sup>52</sup>

In Stockton-on-Tees, the borough council purchased two shopping centres in the heart of the town that suffered from vacancy rates of close to 30 per cent. Recognising a structural oversupply of retail space, the council plans to relocate the remaining businesses and demolish both shopping centres. This will fundamentally change the footprint of retail in the town. The shopping centres will be replaced with a new park that will provide direct access to the river, currently blocked off by the existing shopping centre. This is a significant intervention that demonstrates the importance of local authorities acting as an enabling partner for community use. The role of councils as responsible stewards of place over the long term, allied to their ability to raise finance, will be crucial.

On occasion, councils have explored some of their other unique levers around land ownership and spatial change. Councils have the ability to use Compulsory Purchase Orders (CPOs) on regeneration grounds, but in

practice they have been reticent to use it as it is a lengthy, complicated, and resource-intensive process. There are some instances of councils committing to use CPOs to reshape their high streets, representing a significant intervention in local property markets. In Barnet, the local authority is carrying out a strategic renewal of North Finchley High Road, with the mix of uses being diversified alongside a programme of development intensification. This large-scale redevelopment will involve reducing the retail footprint in the town centre: the council has committed to use Compulsory Purchase powers to do this if it can't be achieved by other means.

Some approaches to ownership can be more problematic than others. A particular challenge is engaging landlords who are distant and uninterested in the places which their assets serve. Where place partnerships want to engage “delinquent” owners, it can be difficult to even find out who they are. Land Registry records show who the legal owner of the property is, but this isn't necessarily the same as the ultimate “beneficial” owner.<sup>53</sup> There have been welcome steps toward greater land ownership transparency in recent years, for instance by making previously paid-for Land Registry data available for free. Going beyond this and making beneficial ownership data available too was cited by several of our research participants as a requirement for better engagement across all stakeholders in town centres. The UK government has committed in principle to creating a register of beneficial owners, but is yet to confirm a timetable.<sup>54</sup>

### **Local property taxation and powers**

Policymakers, politicians and high street operators have long been unhappy with the operation of local property taxation. In addition to the issues with council tax described above, business rates are a regular source of complaint. Despite the temporary reliefs on business rates over the course of the pandemic, there is a long-standing sense of unfairness around the taxes levied on occupiers of non-domestic property. During the course of our research, it was a concern raised regularly by those involved in place management as well as operators on the high street. The mismatch between the rates levied on businesses that rely on physical property to operate and those that can be run online is stark.<sup>55</sup> It is an indicator that the business rates regime was designed for a previous age. Revaluations in recent years have seen significant increases in “rateable value” (which determines the level of business rates) within London, where other regions have seen falls.<sup>56</sup> Despite small businesses qualifying for rates relief in principle, the higher rateable values in London means that over 70 per cent of Federation of Small Business members in the capital do not qualify.<sup>57</sup>

Reforms aimed at making business rates a proportionally larger source of local government financing have complicated matters further. A complex system of grants, top-ups and tariffs aims to balance an inherent trade-off between incentivising growth and increasing the local tax take of each local authority, while still ensuring an equitable distribution of funding between areas.<sup>58</sup> Further major reforms announced – aimed at increasing the share of business rates kept by local government and making broader changes to the allocation of funding – have not materialised.<sup>59</sup> Heavy criticisms of the system have led to calls for it to be abolished entirely and replaced with a land value tax on business land.<sup>60</sup> The Treasury has committed to publishing a full review of the business rates regime in the autumn of 2021.<sup>61</sup>

Changes to the local fiscal regime in recent years have been accompanied by a significant withdrawal of national government grant funding to local authorities. The current system is confusing and unfair, while at the same time not providing sufficient resources for local government to operate sustainably. A series of short-term deals limits the ability of councils to plan over the long term and shape their areas. An already precarious situation for local government has been made worse by the loss of income and additional spending pressures caused by the pandemic.<sup>62</sup>

A full discussion of local taxation is outside of the scope of this report, but achieving an equitable fiscal settlement which allows for provision of good local services and is subject to local control should be a priority for reforms.<sup>63</sup>

### **Rents and valuation**

In addition to business rates, common practices in commercial landlord-tenant relationships were cited by interviewees as a challenge for the viability of operators across all sectors on the high street. “Upwards-only” rent reviews, in which rents can only be increased upwards, clearly represent a challenge for small operators and those with a more community-oriented focus.

Similarly, for community businesses, social enterprises and other SMEs, long-term leases can represent a significant fixed cost and a barrier to entry where they might prefer slower, incremental growth. Conversations with a large landlord holding assets across the country revealed how commercial property owners traditionally prefer long-term leases, with the aim of attracting large multiple retailers who can guarantee payment over a long period.

There are signs that rent models are changing as landlords accept the new realities of high streets and respond to the oversupply of retail space. Turnover leases – where rents are defined with reference to the turnover of a business – are not new but have become increasingly common over the course of the pandemic. Some landlords are now operating more flexible lease arrangements, offering shorter terms down to a few months in order to allow smaller businesses to start trading.

However, an interview with a commercial surveyor observed that this approach should be treated with caution:

“Sometimes community businesses can be treated as a business rates mitigation exercise. Some of them need longer terms, and you need to be mindful of ‘community-washing’.”

Barriers still remain, however, and the valuation process itself can also cause issues for affordability.

“Even where properties are vacant there can be an incentive to keep rents high rather than let the property. Investors looking for capital growth won’t lower their rent as it will reduce the capital value ultimately.”

**Real estate analyst interviewee**

### **Planning powers and reforms**

Alongside significant changes to grant funding, national government has also made changes to local government’s spatial planning powers in recent years. The reform in 2020 of commercial use classes – by merging multiple uses into a single “Class E” – allows changes between a wide variety of previously distinct commercial uses. This is known as “permitted development rights”. Given the need for adaptability on the high street, this could be a welcome development. Having a more flexible commercial use class system could allow places to respond to changes on the ground more dynamically than in the past.

In London, town centres are organised into a hierarchy of size and importance across a “network” – from small “Neighbourhood” parades through to “District”, “Major”, “Metropolitan” and a few “International”. The hierarchy is based on the potential floorspace for a number of town centre uses, as well as public transport accessibility. While it is right that planning policy should accommodate growth in town centres that can sustainably support it, policy should be mindful of giving too much

weight to retail floorspace as a projection of needs. The London Plan has suggested “typical” uses across this network, with bigger town centres having a suggested wider diversity of uses. It is important that policy does not become a self-fulfilling prophecy, steering diversity of uses towards larger centres only.

Nonetheless, there exist more substantial and immediate threats. In December 2020, the UK government launched a consultation on extending permitted development rights.<sup>64</sup> The suggested changes would allow buildings with the new commercial use Class “E” to convert to residential use without needing planning permission. We accept that in principle, town centres are an important location of development land, and could accommodate more residential development. But the precise details, designs and location are all important, and such shifts need careful treatment.

Previously, we have seen that a successful high street relies heavily on a variety of uses being concentrated in one place. This requires a core of non-residential activities to sustain footfall and viability of different uses. It is particularly important to have “active frontages”, where there is interaction between the activity inside a building and in the street.

Breaking up this core with inappropriate residential development could hasten the decline of the high street even further, affecting the viability of other commercial uses beyond retail. Higher development values are a significant incentive to convert non-residential space to residential use, and represent a serious threat to efforts at high street renewal. Retaining the powers of public bodies to prevent excessive commercial-to-residential conversion in high streets and town centres is essential.

# 7. Recommendations and guidance



In the foregoing chapters, we have discussed the scale of transformation necessary to reimagine the high street, as well as the high-level thinking it inevitably requires. We have looked at the need for “whole place” thinking, inclusion of all stakeholders and new ways of working with communities. So how do we put these principles into practice?

This final chapter has two parts. First, we outline a range of practical guidance for people and groups who want to start up or build on community involvement with their town centre. Second, we make some broader recommendations for national and local government on how to enable community involvement in more places.

## Practical guidance for people building involvement in local high streets

### Creating a strategy

The starting point for the strategic renewal of a high street must (by definition) be to first create a strategy and, building on this, a joint vision for the place. 90 per cent of high streets in London do not currently have such a strategy, and creating one can act as a catalyst for community engagement. As one community activist organising a town centre partnership told us:

“For communities to be involved, there needs to be an opportunity. It needs to align with something. Just creating a new mechanism and hoping for the best won’t do it”.

We might see a Community Improvement District as a high street or town centre that genuinely involves local people in decision making – rather than as a defined and specific type of governance vehicle.

### Getting started

If there are no community involvement processes currently in place around a local high street or town centre, we believe that local authorities should initiate them. They have much to gain from keeping high streets vibrant and responsive to the needs of their communities, and they often have existing connections to local residents and businesses. As we move into recovery from the coronavirus pandemic, some local authorities have told us that they are increasingly interested in supporting their local high streets. Where there are existing community or business groups around a local town centre, the local authority should work with them: we discuss this further below.

In some instances, local authorities will be unwilling to take on this role. In that case, local groups should feel confident to work with local people and organisations on discussions about the future of their high street. In general, we believe that models of community involvement that involve the local authority as a partner have the greatest chance of success and longevity. But in some circumstances it is possible for local people and businesses to successfully transform a high street without local authority involvement.

Community groups should also understand that the types of organisation eligible for funding will vary according to the grant-making body in question. For instance, the Future High Streets Fund requires that local authorities bid for funding, but the GLA High Streets Challenge allows any type of organisation to bid in principle, provided they are legally constituted. Data shows that BIDs are involved in almost half of the projects in England receiving funding for high streets, towns or city centres via the Future High Streets Fund, Heritage Action Zone and Towns Fund. Where community groups are not legally constituted, it may be possible for local authorities or BIDs who do have a legal status to work with them in partnership at the start of the process.

### **Finding the key partners**

High street improvement will work best when all the key local partners are involved – so the first step is to find out who they are. This should include all relevant public agencies, landowners, private businesses, anchor institutions, traders, community groups and civil society organisations. Having a broad coalition of public and private partners who are committed to the principles is important. Ultimately, implementing a vision will often require a lot of money – so diverse sources of finance will also be needed.

### **Engaging with the local community**

It is vital to engage broadly and deeply with the local community. How this works will depend on the local context, but in general:

- Allow enough time for discussions to move naturally through the community, rather than forcing deadlines that might suit businesses or the public sector but not local people.
- Tapping into existing local networks and organisations is a good starting point, but it might need to be accompanied by a more active outreach to find people who aren't already engaged with a group.
- It's important to assess the demographics of a place and seek to engage all groups in the community – but getting 100 per cent representation in a diverse and transient city like London can be difficult, so don't allow the perfect to be the enemy of the good.
- The people who use a local high street or town centre may not always be the people who live closest – especially in London where residents often have multiple high streets within a short travel time. They might feel a strong attachment to a high street because it is where they work, where their child goes to school, or where they worship. They are still important stakeholders and potential allies for change.
- Hold events at a range of different places and times, including mobile and outdoor discussions.
- Use image-led and creative techniques to show trade-offs and decisions – and to make it easy for people to share their views.

### **Deciding the content**

In each place the content of a strategy will differ slightly, but it should be based around a broad framework that covers the main areas of concern without being too prescriptive about outputs. It should be a catalyst for change, with projects and actions identified – rather than a barrier to change which needs to be finished before things can happen. It should also include already-identified projects at different stages of their lifecycle.

As a general guide, strategies should:

- Build on the local assets and strengths of each place: aim to enhance their latent social and economic value.
- Identify local priorities and aspirations: make the strategy responsive to what local people see as necessary.
- Identify local weaknesses and threats: find out what needs to change.
- Be led and informed by local insight and data: draw on a wide range of sources.

- Plan for the long-term: think bigger than local government election cycles or BID term lengths.
- Identify projects and actions: strategies should be tangible and action oriented.

Further guidance on developing a high street strategy can be found in both the GLA's High Streets and Town Centres Adaptive Strategies document<sup>65</sup> and the Town Centre Toolkit from Scotland's Town Partnership.<sup>66</sup> Information is also available via the High Streets Task Force. The GLA's High Streets Challenge<sup>67</sup> is an excellent example of an approach to inclusive strategy development that could catalyse partnership working between all town centre stakeholders.

### **Initial governance**

Managing the creation of a strategy will require some kind of group or body. Stakeholder mapping will have shown which organisations need to be involved. Once there is a broad coalition of local stakeholders who represent different town centre interests, their relationship will need to be defined in some way.

It could be as a group run by a local authority or a BID, or it could be a fairly informal group with a local authority or BID working as the fund holder. Alternatively, it could be set up as a new organisation – perhaps a charity or a community interest company. The most important thing is that community groups have a right to be involved and – crucially – that local authorities and other business or statutory partners are committed to making this work in practice. Simply stating that community groups will be involved is not enough to make it happen, particularly in the long term.

The best way to achieve this is for community groups to sit as core participants within this structure throughout, rather than just being engaged through the process – the Co-Place Nottingham example from Chapter 5 shows how important this is. It's also vital to keep the eligibility requirements for participation open: local organisations are structured in different ways, so you don't want to exclude based on a bureaucratic requirement.

### **Initial funding – local sources**

Currently, there is a range of sources for local groups seeking to revitalise their high street. At the time of writing these include in-kind support from the High Streets Task Force, financial support from the High Streets Action Fund (through local authorities), Heritage Action Zones, the Towns Fund, and the Levelling Up Fund. Some areas will also have separate local or regional initiatives. Trusts and foundations also sometimes have funding available for local groups: the charitable arms of banks and national businesses may be particularly relevant here.

In places where they are partners, BIDs and local businesses may be able to provide funding for local groups – particularly where they can show that community involvement is likely to provide commercial benefit for the private sector by increasing footfall.

Local authorities are currently obliged to set aside 15 per cent of Community Infrastructure Levy (CIL) receipts to address the demands placed on their area by developers – known as Neighbourhood CIL. This could also be used for community-led high street renewal. In some cases the proportion goes up to 25 per cent. Local authorities could consider making this 25 per cent in all cases, with a presumption in favour of channelling it through local groups.

In the long term, some groups may be able to transition to local sources of funding, perhaps including a community levy. However, this is unlikely to work as a first step, as groups will need to prove themselves to the local community first.

We believe that greater (and more consistent) funding for local high street renewal is a good investment for both local and national government. This is set out in more detail below.

### **Ongoing governance and local funding**

In time, local groups involved in high street renewal may decide to take a more fixed form – especially as they leave behind the urgent needs of post-pandemic recovery and think more about longer-term place management. Through developing a strategy, local people’s capacity and confidence are likely to increase – and local partnerships should get stronger. Research has shown that when given the right support, community activities and initiatives often crystallise into something longer-lasting.

At that stage, incorporation of partnerships into something more formal might be necessary. This could take many different forms, but a CID model which relies on a levy or voluntary contribution to generate self-sustaining income may become appropriate at this point – once groups have shown the potential of what they can do. This could take place over a longer period as local support grows – with a gradual increase of contributions from local people and a tapering of contributions from others as additional revenue-generating activities get started.

## **Policy recommendations for national and local government**

### **Review the powers of local authorities to remedy delinquent ownership**

The power of local authorities to Compulsorily Purchase is intended to facilitate regeneration, but it is a significant intervention and used infrequently. Due to time and capacity constraints, local authorities do not tend to use CPO powers on high streets. National government should review the process to facilitate more compulsory purchase of high street property in delinquent ownership, where it may be hindering renewal.

Short of compulsory purchase, alternative measures could be considered to bring vacant commercial property in delinquent ownership back into use. The power to “compulsorily lease” residential properties already exists and is known as an Empty Dwelling Management Order. Where a residential property has been empty for two years and the owners have refused to engage with the local authority, the power exists for the latter to take possession of the property and lease it to tenants, subject to particular conditions. Recognising that vacant commercial property and high street renewal are matters of strategic national importance, national government should look into extending these powers to commercial property. It could stipulate that the use of the property should be for community benefit, decided by the community.

### **Build on existing programmes to fund inclusive high street strategies**

National government’s current offer for high street renewal is welcome, and shows that the state recognises the importance of community involvement in high streets as a mean of economic renewal. Making this support available to more high streets would increase the potential benefit.

Ideally, funding should come via grants to local government, rather than a competitive bidding process. Funding should be prioritised according to need, rather than the location of the best-written bids. Specifically, revenue funding should be provided at the early stages of a project to ensure that widespread and inclusive engagement can take place.

In London, the GLA should also consider how it can support local high street renewal using both its funding and its convening powers with businesses.

### **Ensure that the Community Ownership Fund is appropriately targeted**

Although local authorities play an important role in enabling community ownership, more support is needed for this type of arrangement. The Community Ownership Fund is a very welcome development in this area. Providing funds for communities to purchase property is a key part of inclusive high street renewal.

The final details of the Fund are due to be released by June 2021. Yet there are certain factors important to its success that are yet to be defined. These include a requirement for match funding to be flexible, so as to allow greater support for deprived areas – and for assets which may not provide as great a yield in the short term. Another question is what the fund can be spent on: spaces which operate for community benefit can generate profit and revenue, but often they need seed funding to start. Ensuring that the Ownership Fund can be spent on revenue to develop sustainable business plans and build capacity will be another important determinant of its success.

### **Reconsider the extension of permitted development rights over commercial-to-residential property conversions**

Many high streets have residential elements – most often flats above shops – and these work well in moderation, providing much-needed housing and increasing the market for local services. However, too much residential conversion can leave high streets without enough commercial and community space, reducing their viability in the medium to long term. Moreover, removing all planning controls on such conversions makes this a likely outcome.

There are already some exceptions to permitted development arrangements under “Article 4” exemptions for some central London boroughs. These prevent automatic commercial-to-residential conversion until 2022, when they can be renewed. National government should also allow other local authorities to request exemptions from permitted development on specific high streets, if the local authority can show that there is a risk to the survival of a local high street or community facility.

## **Conclusion**

This report has discussed the scale of the challenges facing our high streets and town centres. Across the country, the centres of our neighbourhoods will have to be reconfigured to respond to a new reality and a different use of space.

Ensuring that new uses respond to the needs and wants of high street users will require a step change in the involvement of communities. Generating social and economic value from our high streets and town centres will require communities to be active agents as well as sources of information. This report has set out some practical steps and actions to make this a reality.

As the country looks to recover and rebuild from the impact of the pandemic, it's clearer than ever that our connections to each other are also the source of our strength. The knowledge and insight in our communities is also the greatest source of wisdom where our own places are concerned – so let's give these the role they deserve and put community partnerships at the very heart of high street renewal.



# Endnotes

1. Centre for London (2020). The London Intelligence – London Economic Tracker – August 2020. London: Centre for London. Retrieved from: <https://www.centreforlondon.org/publication/the-london-intelligence-aug-2020/>
2. Office for National Statistics (2020). Resident population on or around high streets, local authority, Great Britain 2018. Retrieved from: <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/highstreetsingreatbritain/march2020#people-living-around-the-high-street>
3. Office for National Statistics (2020). Resident population on or around high streets, local authority, Great Britain 2018. Retrieved from: <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/highstreetsingreatbritain/march2020#people-living-around-the-high-street>
4. Local Data Company (2021). Crisis Driven Vacancies Continue to Climb. Local Data Company Blogs. Retrieved from: <https://www.localdatacompany.com/blog/crisis-driven-vacancies-continue-to-climb>
5. UCL & Gort Scott (2010). High Street London. Retrieved from: [https://matthewcarmonadotcom.files.wordpress.com/2016/12/highstreetlondon\\_main\\_report-copy.pdf](https://matthewcarmonadotcom.files.wordpress.com/2016/12/highstreetlondon_main_report-copy.pdf)
6. Office for National Statistics (2021). Internet sales as a percentage of total retail sales (ratio) (%). Retrieved from: <https://www.ons.gov.uk/businessindustryandtrade/retailindustry/timeseries/j4mc/drsj>
7. Landsec (2020). Reimagining Empty Retail Space. Retrieved from: [https://landsec.com/sites/default/files/2020-02/Landsec\\_Re-imagining%20empty\\_Retail\\_space.pdf](https://landsec.com/sites/default/files/2020-02/Landsec_Re-imagining%20empty_Retail_space.pdf)
8. Weinbren, E. (2021, March 11). How can we stop Britain's high streets becoming ghost towns? The Grocer. Retrieved from: <https://www.thegrocer.co.uk/high-street/how-can-we-stop-britains-high-streets-becoming-ghost-towns/654096.article>
9. Demos (2021). Build Back Stronger. Retrieved from: <https://demos.co.uk/wp-content/uploads/2021/03/Build-Back-Stronger.pdf>
10. Greater London Authority (n.d.). Central Activities Zone. Retrieved from: <https://www.london.gov.uk/what-we-do/planning/implementing-london-plan/london-plan-guidance-and-spgs/central-activities-zone>
11. Kefford, A. (2020). 'The death of the high street': town centres from post-war to Covid-19. London: History and Policy. Retrieved from: <https://www.historyandpolicy.org/policy-papers/papers/the-death-of-the-high-street-town-centres-from-post-war-to-covid-19>
12. UCL & Gort Scott (2010). High Street London. Retrieved from: [https://matthewcarmonadotcom.files.wordpress.com/2016/12/highstreetlondon\\_main\\_report-copy.pdf](https://matthewcarmonadotcom.files.wordpress.com/2016/12/highstreetlondon_main_report-copy.pdf)
13. UCL & Gort Scott (2010). High Street London. Retrieved from: [https://matthewcarmonadotcom.files.wordpress.com/2016/12/highstreetlondon\\_main\\_report-copy.pdf](https://matthewcarmonadotcom.files.wordpress.com/2016/12/highstreetlondon_main_report-copy.pdf)
14. Living Streets (2018). The Pedestrian Pound: The business case for better streets and places. Retrieved from: <https://www.livingstreets.org.uk/media/3890/pedestrian-pound-2018.pdf>
15. Carmona, M. (2015). London's local high streets: The problems, potential and complexities of mixed street corridors. *Progress in Planning*, 100, 1-84. Retrieved from: <https://www.sciencedirect.com/science/article/pii/S0305900614000439>
16. We Made That & LSE Cities (2017). High Streets for All. London: Greater London Authority. Retrieved from: [https://www.london.gov.uk/sites/default/files/high\\_streets\\_for\\_all\\_report\\_web\\_final.pdf](https://www.london.gov.uk/sites/default/files/high_streets_for_all_report_web_final.pdf)

17. Mayor of London (n.d.). High Streets for All. Retrieved from: <https://www.london.gov.uk/coronavirus/londons-recovery-coronavirus-crisis/recovery-context/high-streets-all>
18. Peckham Vision & LSE Cities Research (2013). Peckham Town Centre: Parallel Economies and Connections? Retrieved from: [http://www.peckhamvision.org/wiki/images/d/df/Parallel\\_economies\\_8\\_July\\_2013\\_Peckham\\_Vision\\_workshop\\_F.pdf](http://www.peckhamvision.org/wiki/images/d/df/Parallel_economies_8_July_2013_Peckham_Vision_workshop_F.pdf)
19. Peckham Vision & LSE Cities Research (2013). Peckham Town Centre: Parallel Economies and Connections? Retrieved from: [http://www.peckhamvision.org/wiki/images/d/df/Parallel\\_economies\\_8\\_July\\_2013\\_Peckham\\_Vision\\_workshop\\_F.pdf](http://www.peckhamvision.org/wiki/images/d/df/Parallel_economies_8_July_2013_Peckham_Vision_workshop_F.pdf)
20. UCL & Gort Scott (2010). High Street London. Retrieved from: [https://matthewcarmonadotcom.files.wordpress.com/2016/12/highstreetlondon\\_main\\_report-copy.pdf](https://matthewcarmonadotcom.files.wordpress.com/2016/12/highstreetlondon_main_report-copy.pdf)
21. Mayor of London (2021). Connective Social Infrastructure. Retrieved from: [https://www.london.gov.uk/sites/default/files/connective\\_social\\_infrastructure\\_0\\_0.pdf](https://www.london.gov.uk/sites/default/files/connective_social_infrastructure_0_0.pdf)
22. Housing, Communities & Local Government Select Committee (2019). High Streets and Town Centres in 2030: Eleventh Report of Session 2017-19. Retrieved from: <https://publications.parliament.uk/pa/cm201719/cmselect/cmcomloc/1010/1010.pdf>
23. Mayor of London (n.d.). High Streets for All. Retrieved from: <https://www.london.gov.uk/coronavirus/londons-recovery-coronavirus-crisis/recovery-context/high-streets-all>
24. Mayor of London (n.d.). High Streets for All. Retrieved from: <https://www.london.gov.uk/coronavirus/londons-recovery-coronavirus-crisis/recovery-context/high-streets-all>
25. New Economics Foundation (2010). Re-imagining the high street: Escape from Clone Town Britain. Retrieved from: [https://neweconomics.org/uploads/files/1da089b4b1e66ba2b3\\_v8m6b0c0w.pdf](https://neweconomics.org/uploads/files/1da089b4b1e66ba2b3_v8m6b0c0w.pdf)
26. Power to Change & LSE Consulting (2020). Saving the high street: the community takeover. Retrieved from: <https://www.powertochange.org.uk/wp-content/uploads/2020/10/Saving-the-High-Street-the-community-takeover-Report.pdf>
27. High Streets Task Force (n.d.). Who are the Task Force? Retrieved from: <https://www.highstreetstaskforce.org.uk/about/who-are-the-task-force/>
28. More information on the HSTF framework can be found at: <https://www.highstreetstaskforce.org.uk/frameworks/4rs-regeneration-framework>
29. Future of London (2020). Parks and green space: does everyone feel welcome? Retrieved from: <https://www.futureoflondon.org.uk/2020/10/20/parks-and-green-space-does-everyone-feel-welcome/>
30. Chambers, S. (2021, January 31). Is it time to offer rent-free shops to save the high street? The Times. Retrieved from: <https://www.thetimes.co.uk/article/is-it-time-to-offer-rent-free-shops-to-save-the-high-street-7lslrbkr>
31. British Property Federation (2021). Government plan for uncontrolled conversions to residential will not save our high streets. [Press release.] Retrieved from: <https://bpf.org.uk/media/press-releases/british-property-federation-government-plan-for-uncontrolled-conversions-to-residential-will-not-save-our-high-streets/>
32. Loughborough University, Latin Elephant, & LSE (2018). Socio-Economic Value at the Elephant & Castle. London: LSE. Retrieved from: [http://eprints.lse.ac.uk/90160/1/Hall\\_socio-economic-value.pdf](http://eprints.lse.ac.uk/90160/1/Hall_socio-economic-value.pdf); and Roman-Velazquez, P., McIlwaine, C., Peluffo, S., & Perez, N. (2021). Supporting migrant and ethnic economies through regeneration in London: Lessons from community research, activism and campaigning with Latin Elephant. Retrieved from: <https://latinelephant.org/wp-content/uploads/2021/02/Supporting-migrant-and-ethnic-economies-throughout-regeneration-in-London.pdf>
33. Power to Change & LSE Consulting (2020). Saving the high street: the community takeover. Retrieved from: <https://www.powertochange.org.uk/wp-content/uploads/2020/10/Saving-the-High-Street-the-community-takeover-Report.pdf>
34. Harries, R., & Miller, S. (2020). Community business: The power on your doorstep. London: Power to Change. Retrieved from: <https://community-business.powertochange.org.uk/wp-content/uploads/2021/03/Power-on-your-doorstep-Full-Report.pdf>

35. Source for framework: Carmona, M. (2015). London's local high streets: The problems, potential and complexities of mixed street corridors. *Progress in Planning*, 100, 1-84. Retrieved from: <https://www.sciencedirect.com/science/article/pii/S0305900614000439>
36. Housing, Communities & Local Government Select Committee (2018). Oral evidence: High Streets and Town Centres in 2030, HC 1010. Retrieved from: <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/housing-communities-and-local-government-committee/high-streets-and-town-centres-in-2030/oral/92489.html>
37. Housing, Communities & Local Government Select Committee (2018). Oral evidence: High Streets and Town Centres in 2030, HC 1010. Retrieved from: <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/housing-communities-and-local-government-committee/high-streets-and-town-centres-in-2030/oral/92489.html>
38. Turner, C. (2020). *Business Improvement Districts in the British Isles 2020: Annual Survey and Report*. Suffolk: British BIDs. Retrieved from: [https://cdn.britishbids.info/publications/BritishBIDs\\_Annual-BID-Survey-and-Report-2020.pdf?mtime=20201209143844](https://cdn.britishbids.info/publications/BritishBIDs_Annual-BID-Survey-and-Report-2020.pdf?mtime=20201209143844)
39. Duston, R. & Rogers, B. (2019). Business engagement: BIDs, town centre forums and beyond. In *Act Local: Empowering London's Neighbourhoods*. London: Centre for London. Retrieved from: <https://www.centreforlondon.org/reader/act-local/ruth-duston-ben-rogers/>
40. ravers, A. (2011). *Engaging London's Communities: The Big Society and Localism*. London: City of London. Retrieved from: <https://www.londoncouncils.gov.uk/download/file/fid/4144>
41. Centre for London (2019). *Act Local: Empowering London's Neighbourhoods*. London: Centre for London. Retrieved from: <https://www.centreforlondon.org/publication/act-local/>
42. Ivy House Nunhead (n.d.). *The Ivy House*. Retrieved from: <https://ivyhouseunhead.squarespace.com/our-story>
43. Neighbourhood Planners.London (2021). *Designation Decisions: London's neighbourhood planning experience*. Retrieved from: [https://140d5992-3079-4eb8-bf8d-7a7c1aa9d1df.filesusr.com/ugd/95f6a3\\_53d0521ffb04c62b1b1add2e2040186.pdf](https://140d5992-3079-4eb8-bf8d-7a7c1aa9d1df.filesusr.com/ugd/95f6a3_53d0521ffb04c62b1b1add2e2040186.pdf)
44. Travers, A. (2011). *Engaging London's Communities: The Big Society and Localism*. London: City of London. Retrieved from: <https://www.londoncouncils.gov.uk/download/file/fid/4144>
45. Housing, Communities & Local Government Select Committee (2019). *High Streets and Town Centres in 2030: Eleventh Report of Session 2017-19*. Retrieved from: <https://publications.parliament.uk/pa/cm201719/cmselect/cmcomloc/1010/1010.pdf>
46. Adapted from Power to Change (2020). *Community Improvement Districts: A Discussion Paper*. Retrieved from: <https://www.powertochange.org.uk/research/community-improvement-districts-discussion-paper/>
47. Institute for Fiscal Studies (2020). *Revaluation and reform: bringing council tax in England into the 21st century*. Retrieved from: <https://www.ifs.org.uk/publications/14761>
48. Original can be found at: [https://cdn.ymaws.com/www.iap2.org/resource/resmgr/pillars/Spectrum\\_8.5x11\\_Print.pdf](https://cdn.ymaws.com/www.iap2.org/resource/resmgr/pillars/Spectrum_8.5x11_Print.pdf)
49. Centre for London (2019). *Act Local: Empowering London's Neighbourhoods*. London: Centre for London. Retrieved from: <https://www.centreforlondon.org/publication/act-local/>
50. Centre for London (2019). *Act Local: Empowering London's Neighbourhoods*. London: Centre for London. Retrieved from: <https://www.centreforlondon.org/publication/act-local/>
51. Investor types are defined according to British Property Federation existing standards.
52. Man, P., & Child, J. (2021, March 18). 'Custodians of social value': councils plan new community uses for malls. *EG News & Analysis*. Retrieved from: <https://www.egi.co.uk/news/custodians-of-social-value-councils-plan-new-community-uses-for-malls/>

53. House of Commons Library (2021). Briefing Paper: Registers of beneficial ownership, Number 8259, 8 February 2021. Retrieved from: <http://researchbriefings.files.parliament.uk/documents/CBP-8259/CBP-8259.pdf>
54. Ibid.
55. Housing, Communities & Local Government Select Committee (2019). High Streets and Town Centres in 2030: Eleventh Report of Session 2017-19. Retrieved from: <https://publications.parliament.uk/pa/cm201719/cmselect/cmcomloc/1010/1010.pdf>
56. London Councils (2019). Business Rates: London Councils Member Briefing. Retrieved from: <https://www.londoncouncils.gov.uk/sites/default/files/Business%20Rates%20Apr%202019%20Update.pdf>
57. London Councils (2019). Business Rates: London Councils Member Briefing. Retrieved from: <https://www.londoncouncils.gov.uk/sites/default/files/Business%20Rates%20Apr%202019%20Update.pdf>
58. New Economics Foundation (2019). Rating Retention: Options for redesigning the business rates retention system. Retrieved from: <https://neweconomics.org/2019/11/rating-retention>
59. House of Commons Library (2020). Briefing Paper: Reviewing and reforming local government finance. Retrieved from: <https://commonslibrary.parliament.uk/research-briefings/cbp-7538/>
60. Institute for Fiscal Studies (2010). Tax by Design: The Mirrlees Review. Retrieved from: <https://www.ifs.org.uk/publications/5353>
61. HM Treasury (2021). Business Rates Review Update. Retrieved from: <https://www.gov.uk/government/news/business-rates-review-update>
62. National Audit Office (2021). Local government finance in the pandemic. Retrieved from: <https://www.nao.org.uk/report/local-government-finance-in-the-pandemic/>
63. London Finance Commission (2017). Devolution: A Capital Idea. Retrieved from: [https://www.london.gov.uk/sites/default/files/devolution\\_-\\_a\\_capital\\_idea\\_lfc\\_2017.pdf](https://www.london.gov.uk/sites/default/files/devolution_-_a_capital_idea_lfc_2017.pdf)
64. House of Commons Library (2021). Planning in England: Permitted Development and Change of Use. Retrieved from <https://commonslibrary.parliament.uk/research-briefings/sn00485/>
65. Available at: [https://www.london.gov.uk/sites/default/files/ggbd\\_high\\_streets\\_adaptive\\_strategies\\_web\\_compressed\\_0.pdf](https://www.london.gov.uk/sites/default/files/ggbd_high_streets_adaptive_strategies_web_compressed_0.pdf)
66. Available at: [https://www.scotlandstowns.org/town\\_centre\\_toolkit](https://www.scotlandstowns.org/town_centre_toolkit)
67. For more information see <https://www.london.gov.uk/publications/high-streets-all-challenge>

**Open Access. Some rights reserved.**

As the publisher of this work, Centre for London wants to encourage the circulation of our work as widely as possible while retaining the copyright. We therefore have an open access policy which enables anyone to access our content online without charge. Anyone can download, save, perform or distribute this work in any format, including translation, without written permission. This is subject to the terms of the Centre for London licence.

Its main conditions are:

- Centre for London and the author(s) are credited
- This summary and the address [centreforlondon.org](http://centreforlondon.org) are displayed
- The text is not altered and is used in full
- The work is not resold
- A copy of the work or link to its use online is sent to Centre for London.

You are welcome to ask for permission to use this work for purposes other than those covered by the licence. Centre for London gratefully acknowledges the work of Creative Commons in inspiring our approach to copyright.

To find out more go to [creativecommons.org](http://creativecommons.org)



**Published by:**

Centre for London 2021  
© Centre for London.  
Some rights reserved.  
32 - 33 Hatton Garden  
London, EC1N 8DL  
T: 020 3757 5555  
[hello@centreforlondon.org](mailto:hello@centreforlondon.org)  
[centreforlondon.org](http://centreforlondon.org)  
Company Number: 8414909  
Charity Number: 1151435

## About Centre for London

### **We are London's think tank.**

Our mission is to develop new solutions to London's critical challenges and advocate for a fair and prosperous global city.

### **We are a politically independent charity.**

We help national and London policymakers think beyond the next election and plan for the future.

### **We have ideas with impact.**

Through research, analysis and events we generate bold and creative solutions that improve the city we share.

### **We believe in the power of collaboration.**

We bring together people from different parts of the city - with a range of experience and expertise - to develop new ideas and implement them.

### **As a charity we rely on the support of our funders.**

Our work is funded by a mixture of organisations and individuals who share our vision for a better London.

Find out more at [centreforlondon.org](https://centreforlondon.org)