



Ministry of Housing,
Communities &
Local Government

The Future of High Streets Daisy Daventry, Cities & Local Growth Unit

Why high streets & town centres?

The challenge

- High streets are a crucial part of our communities and local economies, creating jobs, nurturing small businesses and injecting billions of pounds into our economy.
- Not all places have benefitted equally from economic growth. This is particularly apparent in some of our high streets and town centres.
- Local people want to see vibrant hubs where people live, shop, use services, and spend their leisure time, and that includes a welcoming and safe night-time economy.
- Changing consumer behaviour presents a significant challenge for retailers in our town centres.

Change on the high street

- Over half of high street units in Great Britain in May 2019 were used for either leisure (27%) or services (29%), compared to comparison (31%) or convenience (9%).
- Over recent years the number of leisure units on high streets has increased while the number of units selling comparison goods and convenience goods has fallen.
- As a proportion of retail sales, **sales online have grown significantly**, from just 6.9% in December 2009 to 21.3% in December 2019. In 2000 online retailing accounted for just 0.8% of retail sales.
- High streets and town centres have felt the effect of structural changes in consumer spending and retailing. Over the past 12 months there has been a **net reduction of 5,468 units** in town centres in Great Britain.
- Social distancing measures and **COVID-19** have exacerbated these trends.

Impact of COVID-19

Impact of Covid

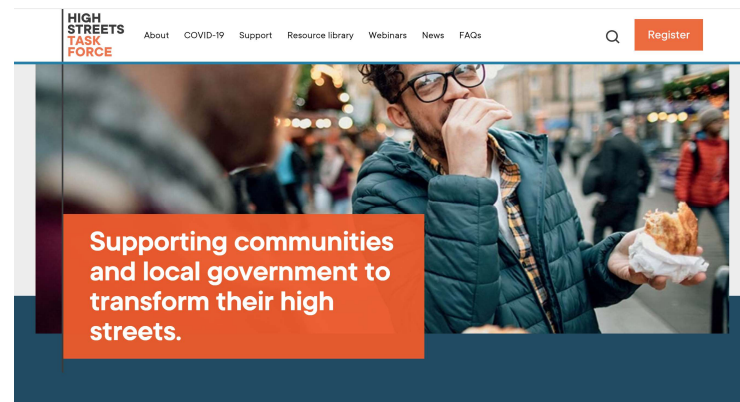
- The national lockdown, closure of non-essential retail and social distancing measures resulted in a marked **decrease in footfall**. High streets, including city centres, saw almost 40% fewer visitors in September 2020 compared with September 2019
- Consumers moved online in greater numbers. The ONS reported an **all-time high of 32.8% for internet sales as a percentage of total retail sales** in May 2020. In August it was at 26.6%.
- The **number of empty shops on our high streets rose to the highest level in 6 years**. Nearly 11% of shops remained vacant in July 2020 compared with 9.8% January 2020. This is higher among retail units at 12.9% than leisure units at 9%.
- 1 in 4 business reported no income during the height of the lockdown. This had significant impacts on the **Commercial Property Sector**, with only 63.3% of rents paid 35 days after the June rent deadline
- Both local authorities and businesses are tasked with the **safe reopening of high streets and adapting of business models** in order to comply with new social distancing measures

Government's response

Government is working closely with local authorities, businesses and sector bodies to address these issues

- Government has introduced **measures to protect commercial tenants** during this time, including a ban on evictions due to an inability to pay rent and a Code of Practice to help rent negotiations
- The **High Streets Task Force** has established a Sectors Leaders Group and a Professional Research and Data Group to provide intelligence and evidence to inform delivery of new measures at pace
- We announced a £50 million **Reopening High Streets Safely Fund** to enable councils to support high streets and their businesses to adapt to the new operating environment. This can be used to fund communication campaigns, signage and physical modifications to the high street
- Government has legislated to allow **Business Improvement Districts (BIDs)** due to ballot this year to continue until the end of March next year, and we are providing up to £6.1 million support for BIDs' core running costs
- Extensive business rates reductions, VAT cuts, support for the hospitality sector, changes to planning policy

**HIGH
STREETS
TASK
FORCE**



Looking ahead

Change will only be possible if thriving high streets are underpinned by **strong leadership and community involvement at the local level** and given support from central government.

In order to respond to changing circumstances and build thriving high streets and town centres, places need:

- **Investment** – we have created the £1bn Future High Streets Fund, providing capacity funding to 101 places and the opportunity for up to £25m capital investment. This is part of the £3.6bn Towns Fund, through which we will deliver 100 Town Deals
- **Information** – we have established the High Streets Task Force to support local leadership across the country, providing local authorities with access to skills training on topics such as creating a vision for areas, planning, design and data; and a website with access to best practice, guidance, data dashboards and online training which has been launched to support places in the immediate recovery from COVID-19. <https://www.highstreetstaskforce.org.uk/>
- **Innovation** – we have created new approaches to bringing empty properties back into use through our Open Doors project and supporting Business Improvement Districts to lead ideas in their areas
- **Inspiration** – we have highlighted best practice across the country through the Great British High Streets Awards

The end or a new beginning?

What we want to see

- These are problems exacerbated by COVID-19, but we don't need to start from scratch with the solutions
- People care about high streets because they are centres of the community
- High streets are a crucial part of the economy: they are centres of job creation, home to small businesses and see significant flows of investment
- We all want to see high streets successfully transition from a retail base to a more diverse offer, providing a range of experiences for their communities
- Places need a clear vision for their area that understands and plays to their strengths
- Towns also need to make the most of land in town centres, to provide high-quality commercial and residential spaces
- And putting communities at the heart of these spaces and decisions