

# **Supporting High Streets and Town Centres**

**Background Note, 6 December 2013**

## **Our vision for Town Centres**

The way the nation shops is undergoing a radical transformation. Consumers already take advantage of the increased choice offered by the internet and out of town retail. By the 2020s, online shopping is predicted to have doubled and make up around twenty per cent of all retail activity. High streets have to adapt in order to survive and succeed.

Town centres need to be diverse, accessible, modern and attractive. Above all, the key to success is local leadership and diversity. Every area needs to come up with their own plan for the future of their town centres, with local authorities working hand in hand with local businesses to transform their town centres.

Government is supporting this by announcing a new range of powerful measures to provide the tools for public and private sector to transform their town centres for their local communities. This package builds on the wide range of measures resulting from Mary Portas' review of high streets, published two years ago.

Government is therefore acting to:

1. support business and private sector to have a greater stake in their high streets.
2. make it easier to diversify town centres.
3. ensure town centres remain accessible to visitors.
4. promote the use of technology to modernise town centres.

## 1. Supporting business and private sector to have a greater stake in their high streets.

### Supporting Local Businesses

Our **business rate support package will provide approximately £950m benefit to all businesses in England, of which approximately £500m will benefit retail in England.**

We are targeting help for the High Street by introducing a **business rates discount of £1,000 for smaller retail premises for 2 years from 1 April 2014 worth some £650m** and benefiting around 300,000 shops, pubs and restaurants. We are also introducing a **new reoccupation relief of 50% for up to 18 months to help bring empty shops back into any new business use.**

We are capping the business rates RPI increase in 2014-15 at 2% to reduce the burden of business rates for all businesses. As well as **extending the doubling of the Small Business Rate Relief for a further year** to 31 March 2015 to provide particular support for over half million of the smallest businesses, the government will also **relax the Small Business Rate Relief criteria** from 1 April 2014 to remove the disincentive for the smallest businesses to take on second properties to support small business growth.

### **Flexible business rate billing**

Businesses should be offered the flexibility to spread their payments over the course of the year as will best suit them. We are therefore **changing Regulations to allow ratepayers to insist that their billing authority allow them to pay their bills over 12 instalments**, in time for payment of 2014-15 bills.

### Strong Local Leadership

Success is far more likely when local authorities, private sector businesses, landowners, investors, and the wider community share a vision for their area and work together to deliver that vision.

Councils should be proactive and take control of the future of their town centre, involving all local partners and residents in a conversation about what that should look like. Backed by national planning policies, councils decide what high street property should be used for, and therefore have a huge influence over the future of their high streets. They need to respond to the realities of the local market, actively supporting and encouraging changes of use which will meet the needs of the local community. They need to be bold and imaginative, even when that means moving away from traditional uses for high street property.

Their vision for town centres needs to resonate with what private sector businesses need in the area to grow. Private sector need to develop a strong voice and work hand in hand with the local authorities in their area.

### Local Enterprise Partnerships

Town centres play an important role in local economies and Local Enterprise Partnerships are responsible for deciding the strategic priorities across a wider economic area. Several Partnerships already have retail and town centre specific projects, for example through the leisure economy or town centre regeneration. Local Enterprise Partnerships are developing their future Strategic Economic Plans which will steer investment from Government and European funds. We encourage businesses to contact their Local Enterprise Partnership and local authority to get involved now, when plans are still in development.

### Business Improvement Districts

Business Improvement Districts bring commercial expertise and practical solutions to the management of local town centres, and see the private sector working in partnership with their local authority. They are a successful model of public-private partnership working and **we will review the work of Business Improvement Districts to see how we can help them play a stronger role in managing their town centres.**

We are already supporting Business Improvement Districts through the new £500,000 BIDs loan fund, which is currently being run by British BIDs and we have brought in new flexibilities for Business Improvement Districts, by introducing new regulations earlier this year to allow Business Improvement Districts to operate across a business area instead of confined to within a local authority's boundaries. We have also consulted on allowing property owners (not just occupiers), to play a greater role in revitalising their high streets through their involvement in Business Improvement Districts and will be taking these proposals forward later next year.

## 2. Making it easier to diversify town centres

### Encouraging Change of Use

Local councils set out how their towns and high streets will be used, through their local plans and local planning processes. There is considerable scope for local authorities to use their powers and judgement to actively promote new and vibrant uses for their town centres.

#### Land reviews

The National Planning Policy Framework already requires local planning authorities to regularly review how land is allocated. To ensure that councils are keeping their high streets up to date, we will **publish new guidance that councils should review their retail land to take account of the changing local market.**

#### Permitted development rights

The proposed permitted development rights on ‘shops to homes’ offer a **greater set of freedoms** for town centres to respond to wider structural changes. The Government **will publish a formal response to its consultation in the New Year.**

As announced at autumn statement, as part of the Red Tape Challenge work to consolidating and review the General Permitted Development Regulations we will **consult on relaxations for change use from retail use (A1) to restaurant use (A3) and from retail use (A1) assembly and leisure uses (D2)** such as cinemas, gyms, skating rinks and swimming baths.

We will also **consult on creating a national planning permission to allow the installation of mezzanine floors in retail premises where it would support the town centre.**

These measures are targeted to support the diversification and vitality of town centres. They recognised the Portas Review recommendation to make it easier to change surplus retail space to leisure uses in the D2 use class.

#### Planning simplification

We want to see local authorities making use of planning simplification. Local authorities can do this in a number of ways:

#### Streamlining engagement with key parties

‘One Stop Shops’ can be of real benefit by providing a single point of contact for developers, where they can deal with planning, buildings regulations, environmental health etc as part of a comprehensive service to support the town centre. These can also be expanded to include economic development services and business support and could include surgeries to support small businesses in developing their schemes, or to appoint an ‘account manager’ to guide businesses through the various planning and non-planning consent regimes.

### Information requirements

The authority could consider whether the levels of information that will be sought in support of planning/other regulatory requirements can be reduced while still complying with legislation. This would help to minimise time and cost and time taken.

### Decision/approval processes

The authority could make a commitment to deal with approvals for town centre development within shortened timescales. This could be through the use of a Planning Performance Agreement where this would help to establish a clear framework for delivery of the development. It could also extend to ensuring a light touch approval/notification scheme for any local development orders put in place.

### Local Development Orders

Local Development Orders grant planning permission for the type of development specified in the Order, and by doing so, remove the need for a planning application to be made by the developer. From 9 December 2013 **we are making it even faster for local authorities to implement Local Development Orders, by removing the need to consult the Secretary of State.**

Local Development Orders can be targeted to apply to specified works on an individual building, in a defined area or areas in a town centre, and may grant planning permission outright or with conditions. Local Development Orders can set out the proposed use for an area very clearly, as well as giving developers certainty that development is permitted and reducing costs to the developer and the local authority.

### Neighbourhood Development Orders

Neighbourhood planning gives businesses, working with others in their community, direct power to develop a shared vision for their neighbourhood (including town centres) and deliver the sustainable development they need. The neighbourhood planning powers can also be used to grant planning permission through a Neighbourhood Development Order. A Neighbourhood Development Order largely mirrors a Local Development Order. The significant difference is that it is not the local planning authority in the lead rather the town or parish council or neighbourhood forum.

Neighbourhood planning can help to regenerate town centres both through Neighbourhood Development Plans and Neighbourhood Development Orders. Policies can address problems such as the diversity of the retail offer, the appearance of the high street, or the overall shopping experience. For example, Cockermouth in Cumbria now has four Neighbourhood Development Orders being examined that are intended to help support town centre growth; and Thame in South Oxfordshire, which passed referendum in May, has a policy supporting employment and shopping in the high street.

### Developing the Evening Economy and Cultural Offer

It has been estimated the evening economy is worth £66bn to the UK, and accounts for nearly a third of the town and city centre turnover. As such a significant contributor to our economy, government and local areas cannot afford to overlook the potential opportunities for growth in this area.

Diversification is one way local areas can help maximise the potential of their high streets and city centres. We want to ensure our town and city centres are vibrant destinations, accessible to groups of all ages, achieving economic growth and creating a space where communities can come together and enjoy a much wider range of activities on offer.

This may include promoting retail through shops opening later, making our town centres places to eat out and relax with later opening cafes and more restaurants. We would like to see greater availability of alternative cultural events such as evening opening of museums and libraries, increased numbers of restaurants, cinemas, bowling alleys, theatres, street entertainments and more. Providing a range of visiting opportunities, with more flexible opening hours to fit around peoples busy lifestyles will help to ensure that our high streets are attractive destinations.

Overall, Creative Industries are estimated to contribute £36.3bn in Gross Value Added to the UK economy (2.9% of UK Gross Value Added) and employ 1.5 million people in either the Creative Industries or in a creative role in another industry (5.14% of UK employment). The Heritage Lottery Fund estimate that heritage tourism contributes to just under £14bn to the economy. In 2009 our national museums and galleries had a combined turnover of £900 million. Inbound visitors in 2009 spent £1 billion in museums and art galleries, whilst domestic tourists spent £1.75 billion over the same period.

We support the excellent Purple Flag scheme. This scheme, developed by the Association of Town and City Management, recognises effective management of our town and city centres in the evening and at night. Town and cities that meet or surpass the required standard can be accredited with a Purple Flag, celebrating their more desirable night time environments and recognising them as great places to visit - for residents, visitors and tourists alike.

### **Red Tape Challenge on High Streets**

But we think there is more which can be done. Government wants to see vibrant town centres which move beyond the traditional retail offer. We are keen to look at ways to encourage greater diversity in high streets and public realm, greater diversity in premises and buildings, and greater diversity in opening times.

Local areas are best placed to comment on regulatory issues which act as a brake on town centre viability and vitality. That's why we will launch a Red Tape Challenge, if there is sufficient evidence to do so. We are **calling for that evidence today, and businesses, councils, residents and other interested bodies can comment** by emailing [highstreets@communities.gsi.gov.uk](mailto:highstreets@communities.gsi.gov.uk) by **17 January 2014**.

### 3. Ensuring town centres remain accessible to visitors.

#### Making Our Town Centres More Accessible

As community and business hubs, town centres need to be accessible to businesses, residents and consumers. Local authority parking strategies should be fair and reasonable and must not act as an unnecessary disincentive, particularly to shoppers who want to visit our town centres. This may mean a more flexible, cheaper offer to visitors to help drive footfall.

#### **Local Authority Parking Consultation**

We are **publishing today our consultation on ‘Local Authority Parking**. Our intention is to review and if necessary, change the balance of how parking is enforced with the aim of ensuring that parking strategies complement and enhance the attractiveness of our high streets and town centres.

To that end the Government is consulting on proposals to:

- Stop CCTV being used for on–street parking enforcement;
- introduce a right for communities and businesses to require authorities to review their parking strategies, including the level of parking charges, location of yellow lines.
- to legislate to allow “grace periods” before penalties are issued for minor contraventions.
- Allowing the parking adjudicator power to grant appeals where councils have not followed guidance, and highlighting that adjudicators can award costs where appeals are won.
- Removing disincentives for appeals, by allowing a 25% discount for prompt payment after the appeal if the fine is still payable.

#### **Parking Penalty Charges**

We want to ensure that local authorities do not misuse their civil parking enforcement powers to the detriment of town centre vitality. The Government will **freeze all parking penalty charges in real terms from today until the remainder of this Parliament**, with immediate effect.

#### **Parking Guidance**

We will also **update parking enforcement guidance to mirror the pro-high street policies** reflected in the National Planning Policy Framework. This will advocate a less heavy-handed approach to parking enforcement and reinforce that parking charges and fines should not be used to subsidise other areas of local government spending.

#### **Encouraging Parking Best Practice**

We have funded the Association of Town & City Management to put in place a package of support for towns across the country. This includes a special interest group that concentrates specifically on parking and access management; and a series of seminars that include a focus on parking and which highlight and promote initiatives that have been successful (such as Braintree and Stockton-on-Tees).

## 4. Promoting the use of technology to modernise of town centres.

### Modernising Our Town Centres

By exploiting new technology town centres can keep pace with business, visitor and consumer expectations. We want to find a positive new direction with technology enabled solutions in retailing, logistics, and traffic management that will help to regenerate Town Centres. We want to see towns working to modernise and coordinate the delivery of goods and services available to the consumer, through shared digital platforms and open wi-fi.

### **Re-imagining the High Street Competition**

The **Technology Strategy Board will run a multi-million pound competition seeking innovative products and services to make our town centres more attractive to citizens.** The competition will launch in the New Year. Technology Strategy Board funding will be available to fund feasibility studies and to run pilots to test the best ideas.

### **Research on high street retail**

The Economic and Social Research Council, in conjunction with private sector partners, will provide **£4.7m for research** in e-commerce, m-commerce and multi channel retailing; promoting and enabling innovations in the analysis of high volume and variety of data, providing enhanced insight and decision-making on consumer behaviour. This will help to develop a greater understanding of the changing nature of the UK High Street and retail spaces.

### **Industry-led best practice on digital High Streets**

We will **establish a new private sector led Future High Streets Forum Task and Finish Group** comprising key industry and high streets interests. Its remit will be to provide a platform to bring together both private sector and public sector technology related initiatives, and identify areas of best practice. The group will also provide guidance on new initiatives and a strategic direction for digital High Streets. The group will start work in the New Year.