

FUTURE HIGH STREET FORUM
2nd Meeting, 11 June 2013, 19.30 – 11.00
Ministerial Boardroom, Eland House

Attendees

Mark Prisk	Minister for Housing and Local Growth (Co-Chair)
Alex Gourlay	Alliance Boots (Co-Chair)
Brandon Lewis	Parliamentary Under-Secretary of State (Part)
James Lowman	Association of Convenience Stores
BIS Official	Department for Business, Innovation and Skills
Michael Green	British Council of shopping Centres
Alan Hawkins	British Independent Retailers Association
Liz Peace	British Property Federation
Jane Pritchard	Business in the Community
Jason Cotta	Costa Coffee
Graham Harris	Dartford Borough Council
Charlotte Cool	John Lewis Partnership
Cllr Mike Haines	Local Government Association
Graham Wilson	National Association of British Market Authorities
Peter Cross	John Lewis Partnership
Professor Neil Wrigley	Southampton University
Neil McCourt	Tesco Metro
Guy Laurence	Vodafone UK
Julie Carney	DCLG
Secretary	DCLG

Apologies

Emma Jones	PopUp Britain
Martin Blackwell	Association of Town and City Management
Helen Dickinson	British Retail Consortium
Joe Harrison	National Market Traders Federation
Paula Vennells	Post Office Ltd

Welcome and Introductions

1. Mark Prisk and Alex Gourlay welcomed attendees to the meeting, and noted that all action from the last meeting has been completed.

Business Rates

2. Brandon Lewis opened the discussion by inviting the Forum to discuss the long term changes that might be needed to help the high street respond to issues like the growth in online trading, and remain the flourishing centre of our communities.
3. The Forum had a wide-ranging discussion on the subject and the following points were made:

General

- There is a lack of information on the impact of business rates on different parts of the retail sector. Task and finish group 2 will look at this issue.
- The debate needs to be held in the context of fundamental and ongoing changes in the retail sector, not just with the shift from town centres to out of town but also the shift from bricks and mortar to online trading. Customer behaviour is changing and will continue to do so. We need to look ahead to the projected environment in ten years time, and protect the high street so it can continue to provide those services that cannot be delivered online.

Making the most of the current system

- Some members raised that extending the temporary increase in Small-Business Rate Relief makes it easier for people to enter the high street, and encourages new business.
- Local Authorities are not making use of their discretionary powers to grant discounts; the reasons included cost and lack of awareness, capacity or expertise.
- Local Authorities should be investing in their town centres. Those with large reserves could consider using them to offer discounts to attract business and increase their longer term tax base. This could be used to target growth locally, or encourage the consolidation of the town centre.

Burden of Taxation

- Business Rates are a property based tax, in an industry that is increasingly not property based and not town centre based. Any reform needs to address the imbalance between valuations in and out of town, between the north and south, and with other building classes such as warehouses.
- Looking beyond retail, business rates apply to a number of sectors. If it is to be reformed or replaced in the longer term, the cost and impact will need to be understood across all sectors.
- Any reform could be very complex, and have unintended consequences including operations moving out of the UK. We need to be careful that taxation policy should not drive further undesired change.

Alternative taxation options

- Some sectors would like to see a move away from taxation based on property valuation towards a system based on economic activity, with a closer relationship between turnover, profit and business rates.
- However, a transaction or turnover tax would not be without issues. It would be complex and expensive to administer. Its unpredictability would reduce stability for Local Authorities and make it unsuitable as a locally raised source of revenue for them. There would be more likelihood of avoidance. Finally, it could catch activities which did not generate economic growth for the company, and not apply to other activities.

4. The Minister thanked everyone. Task and finish group 2 will be taking forward further work, including:
 - ACS will be looking at the use and impact of discretionary rate relief as an incentive for investment, and what can be done to encourage greater use of the powers.
 - BSCS will be undertaking a study of the distribution of the rates burden across all sectors, and within the retail sector.

Forum Sub-Groups – Agree Terms of Reference and Priorities

5. The Forum agreed the priorities and scope of work for the three task and finish groups.

Action 1	Consider how the task and finish groups should cooperate and liaise on issues and work in common.	TFG Chairs
Action 2	Feed back through the secretariat any issues not falling into the remit of the current task and finish groups, for potential discussion at future meetings of the Forum.	All

Task and Finish Group 1 – Local Leadership

6. Jason Cotta reported that, at its initial meeting, the group agreed that solutions will be about more than retail; town centres need to be managed as a holistic whole. It is important that leadership comes from people with an understanding of the town who are willing to step into that role, no matter what sector they work in.
7. The group will build their understanding of what information and support is available to local leaders, how they access that support, and what difference leadership has made in their towns. As part of this, the group will hold their next meeting in Forest Hill, and meet the local town team.
8. The Forum identified a number of areas that the group will need to address in their work:
 - An important short-term practical step could be to create a single point of access to information on what support is available and how it can be accessed.
 - Successful local leadership depends on achieving buy-in from the full range of stakeholders, which can be difficult.
 - The group will need to work with the Association of Town & City Management to access feedback and ideas from a range of towns and cities, and understand the differences between their experiences.
 - Difficulties identifying the ownership of vacant properties can be a barrier. This issue is being addressed by task and finish group 2.

Action 3	Discuss the findings from the recent BITC 'Seeing is Believing' campaign visit.	Jane Pritchard Jason Cotta
Action 4	Invite ATCM to present to the group on the support they are offering to the Portas Pilots and Town Teams	TFG1
Action 5	Feed into the group examples of success from Portas Pilots	DCLG

Task and Finish Group 2 – Planning and Enabling Modern Competitive High Streets

9. James Lowman explained that the work plan for his group concentrates on what is important and what is possible, covering a wide range of areas. The group recognises that they will need to make the case for any proposed regulatory reform.
10. Members have volunteered to take the lead over the summer on the various work streams, with the aim of reaching concrete conclusions by October. The plan and outputs may change as progress is reviewed at the next meeting of the group.
11. In discussion the Forum raised the following areas for consideration:
 - If the groups identify any issues that warrant further work outside the remit of the current membership of the Forum, and in particular any actions for other Government Departments, they will need to report these back to DCLG. If the Forum wants to discuss particular issues, the lead Minister could be invited to attend.
 - Related to this, the group should look at opportunities to push for the wider social use of town centres with other parts of Government. For instance, BIS provide catalyst funding for colleges that can demonstrate what they are doing to help their local economies.

Action 6	Arrange for James Lowman to talk to a property company involved in work to replace doctors surgeries	Liz Peace
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Task and Finish Group Three - Research

12. Peter Cross reported back on behalf of Helen Dickinson. At their first meeting, the group recognised that a lot of research has been done on retail, social and economic trends. The immediate priority will therefore be to review the best current research and create a useful and accessible resource. DCLG and the secretariat are looking at options for this work, and liaising with the Economic and Social Research Council about resources.
13. The group also agreed that their overall aim is to create a compelling vision of what the town centre and high street of the future will look like, supported by templates that can be used by individual towns to develop their local visions. The vision needs to recognise the broader mix of stakeholders, including faith groups, night-time economy etc. To achieve this, the group will be arranging creative brainstorming sessions involving stakeholders from a range of sectors.
14. The Forum noted that it will be important to address the future trends identified in research in a way that helps town centres to adapt. Towns will need to be able to

recognise themselves in the templates that are developed, and understand how to add their local identity and issues to create their own visions.

Action 7	Arrange for a consumer trends analysis company to present to the next meeting of task and finish group three	Neil McCourt TFG3
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Approach to Communications

15. Julie Carney proposed that a group be set up to manage communications on behalf of the Forum. The group will be led by DCLG and Boots. DCLG will follow up with Forum members on next steps.

16. This group will develop a communications strategy for the Forum, based on the work coming out of the task and finish groups.

17. The Forum agreed this approach, noting how important it will be to get on the front foot on communications.

Action 8	Confirm contact details for ongoing liaison on comms.	Secretariat
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Any Other Business

18. The Forum agreed that it would be informative to hold the next Forum meeting at a Portas Pilot location.

Action 9	Liaise with members to identify a viable option for holding the next Forum meeting at a Portas Pilot location.	DCLG
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Close and Date of Future Meetings

19. Mark Prisk and Alex Gourlay thanked everyone for their participation. Future meetings have been arranged as follows:

- 15 October 2013, 9.30 - 11.00am
- 21 January 2014, 9.30 - 11.00am

All meetings will be hosted by DCLG at Eland House London, unless other arrangements are agreed.