

Local Economy: Revitalising Southwark’s High Streets and Town Centres

Report of the Education and Local Economy Scrutiny Commission – May 2021

Table of Contents

Executive summary	2
Summary of recommendations	2
Part 1: Introduction and background.....	4
The national picture	4
The local picture	4
Part 2: What we did	6
Part 3: What we found	6
Mapping	6
Ownership and Landlords	7
Innovation	7
Part 4: Recommendations.....	8
Acknowledgements	10
Appendix 1: List of interviewees and contributors.....	11
Appendix 2: Links to Identified online articles.....	12

Executive summary

This report summarises the Commission's investigation into the impact of the Covid-19 pandemic on businesses and the future of our High Streets and Town Centres. It recognises that our high streets have been seeing significant reduction in footfall for a number of years with an increased trend towards online shopping, that has accelerated due to the pandemic and subsequent lockdowns.

There have been numerous detailed studies and ongoing work around the importance, challenges and benefits of high streets and town centres which provide invaluable information and recommendations around suggested approaches to the sustainability of healthy functioning high streets and town centres, which we are sure will feed into the development of the Council's action plan. Our report therefore does not attempt to replicate that.

The focus of the report, produced during a short municipal year (due to the Covid-19 pandemic), is limited to the findings from our evidence gathering sessions and seeks to provide the cabinet/cabinet member with a number of practical suggestions by way of recommendations that we think should be factored into the development of the Council's action plan.

We had expected at the beginning of the scrutiny review to have had the benefit of considering the Council's action plan for the revitalisation of high streets and town centres. However due to subsequent lockdowns, there has been a delay in the development of the action plan due to resources in the local economy team needing to be focussed on the continued direct support to businesses through the allocation of grants. We note however that once the action plan starts to be developed that it will be submitted to the Commission for input.

It is hoped that the recommendations arising from our initial investigation will assist in the delivery of the Council's aim in revitalising high streets and town centres as part of its Renewal and Recovery Plan.

The information gathered through our evidence sessions and other sources point towards the Council having a pivotal role to play in the future success of our high streets, a move towards increased community ownership and a greater focus of health and wellbeing on the high streets.

Summary of recommendations

The Commission's full recommendations are included in Part 4 of this report.

Mapping

Recommendation 1: The Commission recommends the Council maps Southwark's various local economies as part of the implementation of its economic renewal plan.

Ownership and Landlords

Recommendation 2: The Commission recommends that the Council actively explores supporting new community ownership structures. To practically support this, the Commission recommends the Council reviews its existing asset portfolio with a focus on identifying which assets present the strongest case for going into community ownership.

Recommendation 3: The Commission recommends that the Council explore early involvement with the GLA's nascent Landlords' Charter as a means of getting private developers and landowners to support more community-led activity.

Innovation

Recommendation 4: The Commission recommends the Council take a more active role in finding creative new uses for the high street, with an explicit focus on place making that creates community wellbeing spaces and a greater health focus for high streets and town centres.

Recommendation 5: The Commission recommends that the Council ensures that the funding from Arts Council England has been used effectively and restarts work on a "Cultural Compact", creating a strategic partnership between the borough's cultural and creative industries, education providers and the health sector to drive forward the Council's recovery plans.

Recommendation 6: The Commission notes the immense impact that measures related to the pandemic are having on young people and **supports the Council's commitment to maximising apprenticeship opportunities and using initiatives like the Southwark Pioneers Fund to support young entrepreneurs.**

Recommendation 7: The Commission recommends that the Council also explores:

- **Creating incubator hubs on high streets to showcase and support new and diverse economic uses such as social enterprises**
- **Making targeted funds available to support high streets in lieu of funds such as the High Street Challenge. These funds should be explicitly focused on helping businesses reconfigure and test new innovations in response to shifting trends in high streets and town centres.**

Part 1: Introduction and background

The national picture

1. It is well documented that high streets and town centres have for some time been in steady decline through the development of out of town shopping and more recently the move towards online shopping. This decline is forcing a rethink on the role of town centres and for high streets if they are to continue to be beneficial to the businesses and resident populations they serve.
2. There has been a cumulative problem with footfall since the last recession, if not before, with footfall down 20.5%, between 2010 and 2013. Footfall was down 64% in 2020 (partly due to lockdown), and is unlikely to return to pre-pandemic levels due to habits formed during the lockdown.
3. Online shopping in particular has seen a steady rise between 2007 and 2019 and due to pandemic it has reached a share of consumer spending that was not predicted to occur until 2030. There have been large numbers of store closures across the country occurring at an accelerated rate compared to pre-pandemic predictions. Retail vacancies of 10.3% in 2019, rose to 13.2% in 2020. Shopping centre vacancies are at 16.3% as of January 2021. 750 multiples (i.e. chain stores) closed in January 2021. The position for retail will be further impacted when the government's furlough scheme comes to an end with an anticipated increase in high street store closures.¹
4. A [High Streets Task Force](#) was established in 2019 by the national government to provide support to local leaders in town centres and high streets in England. The task force focuses on supporting places to redefine their high streets and town centres, and on helping places navigate the effects of Covid-19, including through resources such as a Covid-19 Recovery Framework.
5. There have been numerous detailed research studies into the issue of high streets and town centres, for which documents and articles have been published online. Links to some of that research is included at the end of this report.

The local picture

6. In Southwark, footfall is significantly down in some areas with estimates as high as 50%, particularly where areas are reliant on office based workers such as Bankside. Occupancy rates of hotels and impact on hospitality sector and consumer facing businesses, such as pubs, restaurants and gyms have been significantly impacted.
7. There is concern over rising redundancies, particularly in the hospitality sector, and through businesses downsizing due to less space requirements or to reduce costs. There are also concerns coming from businesses on whether they will be able to continue due to long periods where businesses have not seen customers at levels they

¹ Source – Ben Stephenson, Place making consultant and Expert for the High Streets Task Force

are used to and need in order to survive. There are also concerns around employee wellbeing.

8. Evidence suggests that some businesses have thrived during the pandemic through an increase in people shopping local. Other initiatives that have been implemented locally, such as the introduction of 'low traffic neighbourhoods' throughout the borough, have impacted different businesses in positive and negative ways according to local businesses.
9. There are also potential challenges for high streets and town centres from changes in legislation. There is concern that the impact of permitted development rights legislation could see commercial properties being lost to residential where empty properties arise on our high streets, fundamentally changing the nature of the high street in ways that may accelerate its decline.

Council commitments

10. The Council committed in its March Council Assembly meeting to develop a dedicated cross-Council Town Centres and High Streets Framework that will inform the broader economic renewal plan. The intention is that this Framework will help to deliver the Council Plan commitment to "Help Southwark's high streets to be thriving and vibrant, seeking to achieve full occupancy and encourage residents to shop local". The intention is that the Framework will align with all other council plans and strategies with relevance to town centres, high streets and neighbourhoods, as well as to "Southwark Stands Together"; the Council's response to the Black Lives Matter movement and longstanding racial inequalities in and beyond the borough.
11. Beyond this most recent commitment there are several commitments relevant to high streets included in the refreshed Borough Plan (agreed in November 2020) under the theme Green and Inclusive Economy (GIE), including:
 - Help Southwark's high streets to be thriving and vibrant, seeking to achieve full occupancy and encourage residents to shop local (GIE5)
 - Develop a night-time economy plan to ensure Southwark's rich nightlife flourishes post COVID (GIE14).
12. The measures associated with commitment (GIE5) in the Borough Plan performance schedules is to develop a coordinated cross-Council action plan that will support the development of thriving and vibrant high streets and town centres
13. The milestones associated with commitment (GIE5) are the number of empty shop units on Southwark high streets and in Council buildings; vacancy rate for shops on Southwark high streets; and exploring options for measuring data on local town centre use with partners such as business improvement districts (BIDS) and the GLA

14. The milestone associated with commitment (GIE14) is as part of the work developing the Town Centres and High Streets Action Plan, develop a cross-Council plan to develop Southwark's Night Time Economy.

Part 2: What we did

15. July 2020 meeting - The Commission interviewed the cabinet member for Jobs, Business and Innovation on the Council's response to supporting business resilience in response to Covid-19 at the July 2020 meeting.
16. October 2020 meeting - Co-opted a business spokesperson for the 2020/21 year, Nicole Gordon, Chief Executive of Better Bankside Business Improvement District, received a briefing from the strategy and partnerships manager and the cabinet member for Jobs, Culture and Skills on the development of a proposed action plan for the revitalisation of high streets and town centres.
17. January 2021 meeting – Heard from expert witnesses, Power to Change an independent charitable trust that supports and develops community businesses in England and Ben Stephenson, Place making Consultant, High Street Task Force expert and BIDs advisor.
18. February 2021 meeting – The Commission drafted its initial recommendations for consultation with the Cabinet Member for Communities, Equalities and Neighbourhoods.
19. March 2021 meeting – Received a verbal update from cabinet member for Communities, Equalities and Neighbourhoods on progress of the development of the high streets and town centres action plan and feedback on the Commission's initial draft recommendations.
20. April 2021 meeting – The Commission heard from several businesses that are members of the Southwark Chamber of Commerce. Businesses spoke about the impacts on Southwark's high streets and town centres of the pandemic, and the changing needs and expectations of the public in light of the pandemic.

Part 3: What we found

The Commission's main findings fell into three main areas, mapping, ownership and landlords, and innovation:

Mapping

21. The briefing from the strategy and partnerships manager and the cabinet member for Jobs, Culture and Skills identified that mini local economies exist that are not included in the New Southwark Plan (Retail and Town Centre Uses, December 2019), which sets out the Council's approach to retail and town centre uses. It was explained that the

locations included in the New Southwark Plan would be the starting point and that other local economies would be identified as part of a separate exercise.

22. We felt it important that a mapping exercise is undertaken to capture these mini local economies, to ensure that we develop a comprehensive understanding of how the diversity of the borough is reflected in its economy and that they are factored into the Council's economic renewal plan.

Ownership and Landlords

23. The presentation from Power to Change made the case for greater community ownership, demand for which is increasing across the country and signalled the need for local authorities to adopt the role as curator of town centres and linking communities to vacant properties, and for there to be greater transparency of the ownership of some high street properties as some of the time it was unclear who owned some of the vacant properties. Assets are at the core of the business model and is central to community businesses.
24. Local authorities are not the only stakeholders and there is a rising recognition among developers and property owners, as reflected by contributions to the Commission from members of the Southwark Chamber of Commerce, including British Land, that they need to diversify if they are to increase footfall and continue to receive rent on property that they own in high streets and town centres. One of the key ways of doing this is through the introduction of diverse community businesses, such as art centres, community pubs and other places offering creative activities. There are already some community businesses in Southwark, such as the Ivy House pub in Nunhead which is "London's first co-operatively owned pub", the Ceramics Studio Co-op in Bermondsey, or the community-owned London Mutual Credit Union which has two branches in Southwark (in Peckham and the Walworth Road).
25. An initiative being developed is 'the Good Landlords Charter' which is around thinking about how private developers and landowners can really support local community led activity.

Innovation

26. Increasingly people are looking to high streets and town centres to provide an experience that cannot be matched online. The "destination space" that drives people to the high street is really important and there is a role for the Council to play in convening discussions around local places.
27. The Commission noted that development of Southwark's Cultural Compact, launched with the help of funding from Arts Council England, had to be paused due to the pandemic. However, other boroughs that had received similar funding have re-launched their efforts, revisiting emerging models in light of the impact of Covid-19. The Commission is concerned that Southwark may lose the funding from Arts Council England if work on our Cultural Compact does not recommence soon.

Part 4: Recommendations

Mapping

28. **The Commission recommends the Council maps Southwark's various local economies as part of the implementation of its economic renewal plan**, ensuring we develop a comprehensive understanding of how the diversity of the borough is reflected in its economy

Ownership and Landlords

29. Building on previous recommendations from this Commission, **the Commission recommends that the Council actively explores supporting new community ownership structures**. To practically support this, the Commission recommends the Council reviews its existing asset portfolio with a focus on identifying which assets present the strongest case for going into community ownership.
30. **The Commission recommends that the Council explore early involvement with the GLA's nascent Landlords' Charter as a means of getting private developers and landowners to support more community-led activity.**

Innovation

31. The Commission supports the Council's existing efforts to support high streets and town centres, both through its emerging economic renewal plan and existing policies e.g. on encouraging beneficial meanwhile uses of vacant property. **The Commission recommends the Council take a more active role in finding creative new uses for the high street, with an explicit focus on place making that creates community wellbeing spaces and a greater health focus for high streets and town centres.**
32. The Commission notes that Southwark Council was one of a small number of councils to receive funding from Arts Council England to establish a Cultural Compact, but unlike other councils has paused work on its compact during the pandemic. The Commission notes that other councils who have received funding from ACE are continuing to develop their compacts and are using them as vehicles to co-ordinate their recovery from Covid-19. **The Commission recommends that the Council ensures that the funding from Arts Council England has been used effectively and restarts work on a "Cultural Compact", creating a strategic partnership between the borough's cultural and creative industries, education providers and the health sector to drive forward the Council's recovery plans.**
33. The Commission notes the immense impact that measures related to the pandemic are having on young people and supports the Council's commitment to maximising apprenticeship opportunities and using initiatives like the Southwark Pioneers Fund to support young entrepreneurs.

34. The Commission recommends that the Council also explores:

- **Creating incubator hubs on high streets to showcase and support new and diverse economic uses such as social enterprises**, especially those led by young people and others disproportionately impacted by the pandemic
- **Making targeted funds available to support high streets in lieu of funds such as the High Street Challenge**, which have been spent down during the emergency response to supporting business through Covid. **These funds should be explicitly focused on helping businesses reconfigure and test new innovations in response to shifting trends in high streets and town centres.** This should involve the following:
 - Enabling the borough's high streets to increase their use of digital products and services to reach new customers
 - Improving digital and physical connections and accessibility to high streets and urban centres that enable local businesses to reach new and diverse audiences
 - Ensuring that the borough's high streets are connected to high speed fixed-line or mobile broadband
 - Enable the borough's retail, hospitality and leisure sectors to develop green, low-carbon and low-emission delivery services using electric vehicles or similar
 - Ensuring that the borough's high streets become attractive shopping destinations to encourage local footfall and support active travel – aligned with the Council's low-traffic strategies
 - Enabling the establishment of new spaces or animation of existing spaces that improve the local experience and support health, wellbeing and social interaction.

Acknowledgements

The Chair would like to thank the Head of Scrutiny, Everton Roberts for providing invaluable support to the Commission in its investigations and the drafting of this report; all the officers who gave a frank account of current Council ambitions in this area; and the many people and organisations who spoke to the Commission at great length about the current state of high streets and town centres in Southwark and beyond. The Chair would also like to thank all of the Commission members for their commitment to ensuring Southwark's high streets and town centres can well serve the changing needs of Southwark's population in the coming years. Finally the Chair would like to extend special thanks to Nicole Gordon, who agreed to be co-opted to the Commission to provide additional local business expertise, greatly improving the quality of the Commission's work; to Cllr Anood Al-Samerai, the Vice-Chair of the Commission; and to our particularly active reserve members, Cllr Radha Burgess, Cllr Jason Ochere and Cllr Humaira Ali.

Cllr Peter Babudu

Chair, Education and Local Economy Commission

Appendix 1: List of interviewees and contributors

Commission members

Councillor Peter Babudu (Chair)
Councillor Anood Al-Samerai (Vice-Chair)
Councillor Karl Eastham
Councillor Eleanor Kerslake
Councillor Richard Leeming
Councillor Eliza Mann
Councillor Michael Situ
Martin Brecknell (co-opted member – Education)
Lynette Murphy-O'Dwyer (co-opted member – Education)
Nicole Gordon (co-opted member – Business)
Councillor Humaira Ali (Reserve member)
Councillor Radha Burgess (Reserve member)
Councillor Jason Ochere (Reserve member)

Other Council contributors

Councillor Stephanie Cryan, Cabinet Member for Jobs, Culture and Skills
Councillor Alice Macdonald, Cabinet Member for Communities, Equalities and Neighbourhoods
Danny Edwards, Strategy and Partnerships Manager / Head of Local Economy
Everton Roberts, Head of Scrutiny
Alfred Hamilton, Intern, Scrutiny Team

Other contributors

Nick Plumb, Power to Change
Ben Stephenson, Place making Consultant, High Street Task Force expert and BIDs advisor
Southwark Chamber of Commerce (following the April meeting)

Appendix 2: Links to Identified online articles

Build Back Better - <http://www.vanishinghighstreet.com/wp-content/uploads/2020/06/Grimsey-Covid-19-Supplement-June-2020.pdf>

New Life for the High Street - <https://www.smf.co.uk/publications/new-life-for-the-high-street/>. Full report - <https://www.smf.co.uk/wp-content/uploads/2020/07/New-life-for-the-high-street-July-2020.pdf>

Democratic by Design: A new Community Wealth Building Vision for the British Economy After Covid-19 - <https://www.common-wealth.co.uk/reports/democratic-by-design>.

How to Make Cities More Liveable After Covid-19 - <https://www.ft.com/content/d7c6cdc6-5e5c-47bd-bc3f-1719953c2ef0>

Create New 'Health Hubs' for High Streets After the Pandemic - <https://www.smf.co.uk/create-new-health-hubs-for-high-streets-after-the-pandemic/>

LSE 'High Streets for All' – http://eprints.lse.ac.uk/85315/1/high_streets_for_all_report_web_final.pdf.

'Community Ownership Key to Survival of Britain's High Streets' <https://www.powertochange.org.uk/news/community-ownership-key-survival-britains-high-streets/>.