

Local Economy: Revitalisation of High Streets and Town Centres

Draft report of the Education and Local Economy Scrutiny Commission – April 2021

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Executive summary

This report summarises the Commission’s investigation into the impact of covid-19 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 (further increased due to the pandemic and subsequent lockdowns) and a subdued economy.

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 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 in to 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

1. Following the evidence gathering sessions the commission recommends the mapping of Southwark's various local economies as part of the implementation of the council's economic renewal plan to ensure the development of a comprehensive understanding of how the diversity of the borough is reflected in its economy. The exploration of supporting new community ownership structures, including council involvement with the GLA's nascent Landlords' Charter as a means of getting private developers and landowners to support community led activity. The council taking a more active role in finding creative new uses for the high street, with a focus on place making that creates community wellbeing spaces and a greater health focus for high streets and town centres. Ensuring that the funding from Arts Council England (ACE) has been used effectively, 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. The creation of incubator hubs on the high street 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 future rounds of the High Street Challenge explicitly focused on helping businesses reconfigure and test new innovations in response to shifting trends in high streets and urban centres.

Part 1: Introduction and background

The national picture

2. 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 the rethinking

of town centres and the new role for the high street for it to continue to be beneficial to the businesses and resident populations they serve.

3. There has been a cumulative problem with footfall since the last recession, 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.
4. The two major impacts on high streets, firstly, out of town shopping and online shopping which has seen a steady rise between 2007 and 2019 and now at 2030 predictions due to pandemic. There have been lots of store closures across the country at an accelerated rate, compared to pre pandemic predictions. Retail vacancy of 10.3% in 2019, up to 13.2% in 2020. Shopping centre vacancy at 16.3% as at January 2021. 750 multiples closed in January 2021. Position for retail will be further impacted when the governments furlough scheme comes to an end with an anticipated increase in high street store closures.¹
5. The setting up of the [High Streets Task Force](#) to provide support to local leaders in town centres and high streets in England.
6. There has been numerous detailed research and 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

Experience of business community

7. In Southwark, footfall is significantly down in some areas, 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.
8. There is concern over 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 business have not seen customers at levels they are used to and need in order to survive. There are also concerns around employee wellbeing.
9. It is noted that some businesses have thrived during the pandemic through an increase in people shopping local and further that the introduction of 'low traffic neighbourhoods' throughout the borough have impacted on businesses both positively and negatively.

¹ Source – Ben Stephenson, Place making consultant

Challenges

10. The impact of permitted development rights legislation could see commercial properties being lost to residential where empty properties arise on our high streets.

Opportunities that could be explored – short and long term

11. Next generation businesses that can fill gaps created by larger companies reducing property portfolio or moving out of central London locations. Opportunities for entrepreneurs, young people and community organisations who may be able to fill spaces to make sure high streets remain animated.
12. Local authorities working with landowners and developers and the local community to think creatively about a sustainable recovery to the high street and to break down barriers for groups who might not otherwise have opportunities.

Council commitments

13. Included in the refreshed Borough Plan (agreed in November 2020) under the theme Green and Inclusive Economy (GIE) are a number of high street related commitments which are:
 - 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).
14. The measures associated with commitment (GIE5) in the Borough Plan performance schedules is:
 - Develop a coordinated cross council action plan that will support the development of thriving and vibrant high streets and town centres
15. The milestones associated with commitment (GIE5):
 - Number of empty shop units on Southwark high streets
 - Number of empty shop units in council buildings
 - Vacancy rate for shops on Southwark high streets
 - Explore options for measuring data on local town centre use with partners such as BIDs and the GLA
16. 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

17. 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.
18. October 2020 meeting - Co-opted a business spokesperson for the 2020/21 year, 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.
19. 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.
20. February 2021 meeting – The commission drafted its initial recommendations for consultation with the Cabinet Member for Communities, Equalities and Neighbourhoods.
21. 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 commissions initial draft recommendations.
22. April 2021 meeting – The commission is due to hear from Southwark Chamber of Commerce in connection with businesses impacted by the Covid-19 pandemic.

Part 3: What we found

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

Mapping

23. 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.
24. 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

25. The presentation from Power to Change made the case for increased community ownership which was 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.
26. Local authorities are not the only stakeholders and there is a rising recognition among developers and property owners that they need to diversify if they are to continue to receive rent on property that they own in high streets and town centres and that they need to increase footfall. 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.
27. 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

28. 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.
29. We noted that Southwark's Cultural Compact and the development of a preferred model had to be paused due to the pandemic, and that there would be a need to revisit emerging models in light of the impact of Covid as those models may no longer be appropriate. Some other local authorities who received funding to develop cultural compacts are continuing to develop theirs. We are concerned that Southwark may lose the funding from Arts Council England if our cultural compact is not developed.

Part 4: Recommendations

Mapping

30. **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

31. 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.

32. **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

33. 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.**
34. The Commission notes that Southwark Council was one of a small number of councils to receive funding from Arts Council England (ACE) to establish a Creative 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 ACE has been used effectively and creates 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.**
35. The Commission notes the immense impact 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.
36. **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 future rounds of the High Street Challenge explicitly focused on helping businesses reconfigure and test new innovations in response to shifting trends in high streets and urban 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

Appendix 1: Recommendations Progress Checklist

Recommendation	Accepted?	Target completion date
Recommendation 1 – Mapping		
<p>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.</p>		
Recommendation 2 – Ownership and Landlords		
<p>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.</p>		
<p>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.</p>		
Recommendation 3 – Innovation		
<p>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</p>		

spaces and a greater health focus for high streets and town centres.		
<p>The Commission notes that Southwark Council was one of a small number of councils to receive funding from Arts Council England (ACE) to establish a Creative 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 ACE has been used effectively and creates 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.</p>		
<p>The Commission notes the immense impact 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.</p>		
<p>The Commission recommends that the Council also explores:</p> <ul style="list-style-type: none"> • 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 future rounds of the High Street Challenge explicitly focused on helping businesses reconfigure and test new innovations in response to shifting trends in high streets and urban centres. This should involve the following: <ul style="list-style-type: none"> • Enabling the borough's high streets to increase their use of digital 		

<p>products and services to reach new customers</p> <ul style="list-style-type: none">• 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.		
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Appendix 2: 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 Livingstone
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)

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/>.